Most chains deficient in training cosmetics clerks

Beauty makeovers by trained cosmeticians are essential to drug stores aiming for an upscale department store image.

According to a recent *Drug Store News* survey of cosmetic buyers, most major chain drug stores lack adequate training and supervision programs for clerks responsible for cosmetic and fragrance sales.

Chains that do have training programs rely primarily on product bulletins from headquarters to keep their cosmetic sales clerks informed about product information, while 56 percent sometimes take advantage of manufacturer-sponsored product training seminars.

Product brochures are the sales aids most frequently given to cosmetic clerks to assist them with suggestive selling, while a small percentage of chain drug stores also use video machines and in-store product demonstrations to help spark cosmetic and fragrance sales.

Buyers also say they wish their companies could do more to help educate sales clerks, but given the today's economic realities, most doubt whether the situation will improve in the immediate future.

"We encourage our sales clerks to know as much as possible about cosmetic products so they can assist our customers," says Steve Lund, vp of merchandising for Perry Drug Stores.

"However, we are aware that, realistically speaking, the bulk of their time is spent ordering product and stocking shelves," Lund added. "We are now reconfiguring our cosmetic departments so we can facilitate self-service sales. We are facing the fact that our clerks cannot do as much suggestive selling as we would like them to."

In the survey, four out of every ten chain drug cosmetic buyers reported that store clerks, for the most part, have very little product training or familiarity with the fragrances and cosmetics they are expected to sell. These buyers described their typical cosmetic sales clerk as "someone who primarily orders and stocks cosmetics, but has very little product training."

Another 25 percent of the respondents described their cosmetic clerks as able to make specific product recommendations, but said that only about half the people in their chains are this well trained.

A third of the sample, however, said they had clerks who could make specific product recommendations in 100 percent of their stores.

The majority of buyers indicated they thought their companies would be able to improve training programs for cosmetic clerks "somewhat" in 1988, but the overall feeling was that improvements would come in small increments.

Just two chains reported that some of their stores had licensed cosmeticians working in the cosmetics department. Both chains, however, reported that the number of stores offering this service was very small. One buyer said his company had licensed cosmeticians in only 2 percent of all stores, and the other said they were in no more than 5 percent.

The majority of buyers also indicated that their companies were not yet using supervisors who could oversee the cosmetic departments in a given region or market.

Forty-four percent said their companies did not have supervisors who could "oversee cosmetic departments in multiple stores."; 12 percent said they had such supervisors for about 10 percent or less of their stores, and another 19 percent said they had them in almost a third of their stores.

Just 25 percent of respondents said they had cosmetic supervisors for all stores.

For chains making an effort to train cosmetic sales clerks, the most popular education tool was product bulletins issued by buyers and merchandisers at corporate headquarters. Eighty-one percent of respondents said they sent such bulletins to all stores.

Nineteen percent also said they sent video tapes to all stores, while half said their companies conducted training schools for cosmetic clerks. Three-quarters of all buyers said their companies used manufacturer-sponsored training sessions or seminars to help educate their clerks.

In addition to wanting to teach clerks how to suggestively sell cosmetics, most buyers said that their companies were also looking for ways to encourage self-service purchases in their stores. To supplement feature ads and in-store displays, some buyers said their companies used computers and video machines. Sixty-nine percent of buyers reported their companies distributed product brochures in their stores, and 63 percent said they allowed in-store demonstrations such as cosmetic make-overs.

Four out of ten said they used computers to encourage self-service selections. (This number is probably much higher now that the Clarion line, which uses a small computer as part of its display, is steadily being added to the planograms in most chain drug stores.)

Thirty-one per cent of respondents said they used video machines in their stores to emphasize the benefits of specific cosmetic and fragrance products.

Only 19 percent of the sample said they depended entirely on manufacturers to provide training and sales aids, while another 19 percent said their companies were the sole source of these aids. The rest of the respondents said their aids came from both manufacturers and from headquarters: a 50/50 share of responsibility was typical.

Most respondents said they generated between 10 percent and 50 percent of their total cosmetic and fragrance sales from off-shelf displays rather than from their in-line planogram.

Exactly half the respondents said that between 10 percent and 30 percent of their sales came from off-shelf displays such as pre-packs, counter stands, and end-caps.

Another 25 percent said that between 31 percent and 50 percent of their sales came from such displays.

One respondent said he was getting more than 51 percent of his total department sales from off-shelf displays. However, 19 percent of the respondents said they were getting virtually no impulse sales in their stores.

These respondents reported that less than 10 percent of their cosmetic/fragrance sales were coming from off-shelf displays.

[illegible]

Trained to order & stock, but little product training:	37.5%
50% to 70% of stores have clerks with product training	25.0
All stores have clerks with product training	37.5

Source: Drug Store News Cosmetic Buyer Survey

[illegible]

No cosmetic supervisors	44%
10% of all stores have cosmetic supervisors	12
20%-60% of stores have cosmetic supervisors	19
All stores have cosmetic supervisors	25

Source: Drug Store News Cosmetic Buyer Survey

Training aids most often used by chain stores

Product bulletin from buyers/ merchandisers	81%
In-store video machines	19
Headquarter sponsored training schools	50
Manufacturer sponsored training seminars	75

Source: Drug Store News Cosmetic Buyer Survey

Space reallocation

Brand	Increasing space	Decreasing space	Unchanged	No answer don't stock	New
Almay	12%	12%	64%	12%	0%
Andrea Mod	0	44	12	44	0
Artmatic	0	6	12	82	0
Aziza	0	38	25	31	0
Bonne Bell	6	19	56	19	0
Chattam	0	12	50	38	0
Coty	19	19	25	25	0
Cutex	0	50	25	25	0
Del Labs	32	6	43	19	0
Jonee	0	6	25	69	0
Jonel	0	0	32	68	0
Kristy Wells	12	25	38	25	0
L'Oreal	32	12	44	12	0
Lee Nails	38	12	32	18	0
Maybelline	19	6	63	12	0
Max Factor	25	32	32	12	0
Noxell	63	0	25	12	0
Pavion	6	0	38	56	0
Revlon	12	26	50	12	0
Salle	12	6	32	44	6

Buyers rate suppliers on service

In the opinion of chain drug store cosmetic buyers, L'Oreal in 1986 was the one company consistently "above average" in offering retailers customer service.

Fifty percent of buyers responding to *Drug Store News'* first annual Cosmetic Buyer Survey singled out L'Oreal as being "above average" in servicing their retail customers, and 75 percent named the company as "average".

No one rated L'Oreal as below average, and 25 percent of the sample gave no answer.

The Noxell Corp., which manufacturers Gover Girl and Clarion, and Lee Pharmaceuticals, which makes Lee Nails, were also frequently mentioned as above average.

Forty-four percent of buyers ranked Noxell as above average; 31 percent gave Lee Pharmaceuticals that honor.

One-fourth of respondents also said that Revlon, Coty and Maybelline were above average on service, while 18 percent named Almay and Max Factor as being above average.

On the other side of the fence, Aziza, Bonne Bell, and Cutex were each named by 32 percent of respondents providing "below average" service. Chatham, Coty, Revlon and Del Labs each received that rating from 25 percent.

Brand	% buyers rating brand among 3 bestsellers	% buyers rating brand No. 1
L'Oreal	83%	17%
Revlon	75	67
Cover Girl	42	0
Sally Hansen	25	8
Cutex	17	0
Wet 'n Wild	17	0
Maybelline	8	0
Lee	8	8

Buyers name best-selling nail brands

The majority of chain drugstore cosmetic buyers, 67 percent, named Revlon as their "number one" best-selling brand of nail coloring products, according to the *Drug Store News* survey.

Revlon was also the second most frequently mentioned brand for buyers who were identifying their top three best-selling nail care brands.

Seventy-five percent of all the buyers listed Revlon in the top three, while 83 percent did the same for the L'Oreal nail coloring line.

Seventeen percent of buyers picked L'Oreal as their number one best-selling nail care brand. The only other brands to get a "number one" mention were Lee Nails, the artificial nail extender line made by Lee Pharmaceuticals, and Del Labs's Sally Hansen nail treatment line.

Four out of every ten buyers also put Cover Girl's nail care line in their list of the top three nail care brands, while 25 percent gave that distinction to Sally Hansen.

Seventeen percent also picked Cutex and Wet & Wild as one of their top three nail care brands.

In naming their poorest performing nail care brands, 45 percent mentioned the Max Factor brand; 36 percent picked Aziza, and 18 percent picked Maybelline, Cutex and Andrea Mod.

In lip care, the majority of buyers again singled out Revlon as their number one best selling lip color line. Seventy-three percent survey picked Revlon as their top selling lip color line; 92 percent put Revlon in their list of top three best sellers.

L'Oreal again came in second. Eighteen percent picked L'Oreal's lip colors as their best selling lip care line, and 83 percent put the L'Oreal line in their top three.

None of the buyers picked Cover Girl as their number one best selling lip care product, but 58 percent did put Cover Girl's lip color line in their top three rankings.

Nine percent picked Max Factor's lip colors as number one, and 17 percent put the Factor lip color line in their top three.

Thirty-six percent of buy-

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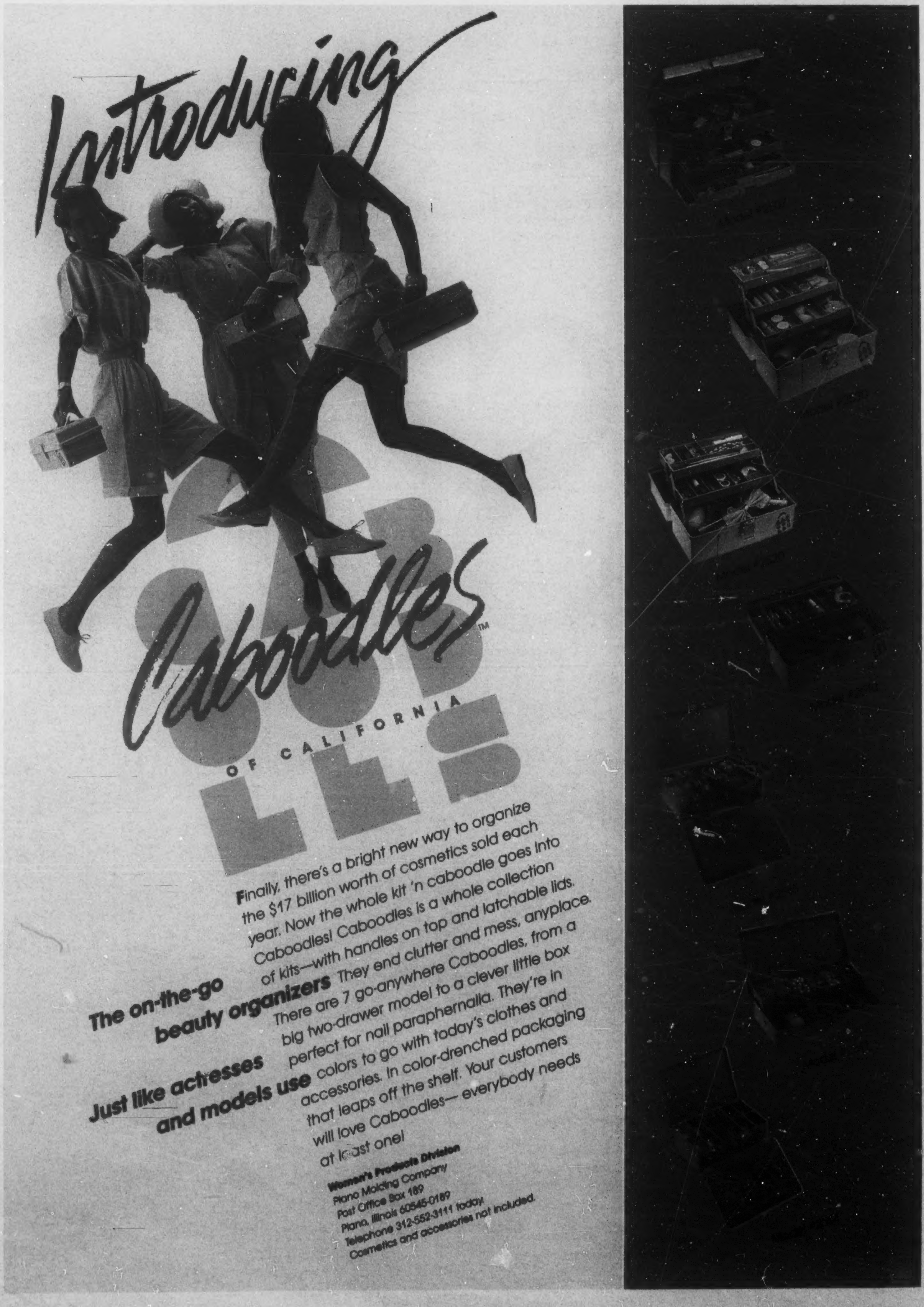
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Some cosmetics lines get more space, others cut

In 1986, when chain drugstore cosmetic buyers were modifying their planogram space, the majority of buyers were giving more space to the following brands:

- **Cover Girl and Clarion:** 63 percent of all cosmetic buyers in the *Drug Store News* Cosmetic Survey said they were increasing space for these two Noxell-owned make-up lines;
- **Lee Nails,** made by Lee Pharmaceuticals: 38 percent of buyers reported they were increasing space for this line of artificial nail extenders;
- **L'Oreal cosmetics:** 32 percent of buyers reported increased space allocations for L'Oreal's various color cosmetic lines;
- **Flame Glow cosmetics, Sally Hansen nail treatments, Quencher lipsticks** and **La Cross nail implements,** all owned by Del Labs: 32 percent of buyers said they were increasing space for the Del Labs lines;
- **Maybelline color cosmetics and Coty color cosmetics:** 19 percent of buyers were increasing space for Maybelline and for Coty.

In 1986, buyers had mixed feelings about Max Factor's line. Some 25 percent of our respondents said they were increasing space for Factor last year, but 32 percent also reported they were decreasing space.

Part of the cutback, however, was coming out of Factor's Maxi cosmetic line for younger consumers. Buyers in 1987 say the traditional Max Factor products, including the face make-ups and the newly repackaged lip sticks, eye shadows and blushes, are doing well in their stores.

The reviews on Maxi, however, are still mixed.

Buyers report having a somewhat similiar experience with Revlon's Natural Wonder line. Some chains report much stronger sales of Natural Wonder since Revlon repackaged and relaunched the line last year. Several chains, however, report that in some portions of the country sales are still sluggish cn Natural Wonder.

In 1986, Natural Wonder's sales were not increasing fast enough for many buyers, and that's one reason why 26 percent of respondents said they were decreasing space allocations for Revlon last year.

Twelve percent said they were increasing space for Revlon products.

In 1987, buyers say they are much more optimistic about Revlon, and many chains are now expanding space for the classic Revlon mass prestige cosmetics as well as either maintaining or giving slightly more space to Natural Wonder.

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Nail brands

Continued from page 26

ers said Almay's line of lipsticks was their poorest-selling lip care brand.

In eye color, Revlon and L'Oreal both lost out to Cover Girl as the number one favorite brand of most buyers, as 46 percent of the buyers in our survey picked Cover Girl as their number one best-selling eye color brand, and 75 percent listed the label in their top three best sellers.

Twenty-seven percent of buyers also picked Maybelline and Revlon as their number one best-selling eye color brand.

Aziza got mentioned most frequently as one of the three poorest selling eye color brands, with 45 percent of buyers in our survey listing it as one of their three worst sellers in the eye color category.

Eighteen percent of the buyers also singled out Max Factor and Cutex as among their three poorest-selling eye color brands.

In facial make-ups, Cover Girl was the runaway number one favorite with chain drugstore cosmetic buyers. Sixty percent of our respondents picked Gover Girl as their number one best-selling facial make-up brand. Twenty percent picked Maybelline, and 10 percent picked Revlon and Max Factor respectively.

Seventy-five percent of all buyers also named Cover Girl as one of their three best-selling facial make-up brands, while 67 percent gave Revlon that distinction.

Maybelline was named one of the top three best sellers by 41 percent of survey respondents, and another 25 percent picked L'Oreal as one of their three top best sellers.

One-third of buyers named Max Factor as one of their three worst-selling facial make-up brands; another 27 percent so labeled L'Oreal, Bonne Bell, and Artmatic.

The Counter
IBM

Buyers say sales of color cosmetics are up sharply

According to drug store retailers, sales of color cosmetic products are up sharply for the first nine months of 1987.

Buyers say their strongest increases are still coming from the nail care segment, but many buyers are also reporting strong sales surges in colored mascaras, upscale skin treatments, liquid make-ups, and nail and lip colors.

Many buyers are still giving the recent launch of the Clarion color line from Noxell very good reviews. However, a few chains are reporting that Clarion sales began to slow down around mid-summer.

Nail extender sales are flattening slightly, but nail treatment and nail implement sales are still very strong.

Sales for the latest hot fashion shades of mascara are doing very well, but some buyers are predicting that the more intense colored mascaras will soon fall out of fashion. The strongest sellers after the holidays are over, they predict, will be the more conservative colored mascaras, the purples, teals, dark blues, etc.

With one exception, buyers say their sales of recently repackaged lines like L'Oreal, Max Factor, etc., have also been strong.

Several chains are reporting, however, that Revlon's repackaged Natural Wonder line started off strong, but has slowed down in sales. The classic Revlon sales, on the other hand, are thriving.

Begley Drug Stores

At Begley Drug in Kentucky, cosmetic buyer Billie Carpenter is seeing her strongest growth in color cosmetics and in face make-ups.

"The colored wands from Maybelline, all the colored eye shadows, the lip and nail color and the nail treatment products are all selling well," she says. "Everything in face is also selling well—foundations, pressed powders, blushes, and all the multi-colored and speckle-colored eye shadows."

The new Max Factor Mousse make-up is one of Begley's best sellers this year, and Carpenter is very excited about the potential for Revlon's newly launched New Complexion make-up.

"That's just coming in now," she says, "and it should be really hot. It's formulation is so similiar to Estée Lauder that it should attract some new customers for us. The price point on New Complexion is $7.50, compared to an average $18.50 for the prestige department store brands.

"It's also perfect for the woman who wouldn't use a heavy make-up, but who would try something that delivers a light, natural coverage."

Best Performers

Colored mascaras have also sold well this year for Begley. Carpenter says the Maybelline Shine Free colored mascaras were exceptionally good, and L'Oreal's new colored mascaras, Lash Out, also did well.

Many stores, she said, sold through 18 piece pre-packs on both brands in about two weeks. "One 'C' store," she said, "had just four pieces left out of the 18-piece Lash Out pre-pack, and this was while we were in the middle of a reset."

The best selling colored

Continued on page 30

Some lines

Continued from page 28

The majority of buyers in the survey made the strongest cutbacks last year on the following lines:

- **Andrea Mod:** 44 percent of buyers reported they were decreasing space for this line of trendy color cosmetics. To date, buyers in 1987 are still giving Andrea Mod some mixed reviews. Those who give the line good space for promotional pre-pack displays report stronger sales than those who squeeze the line in alongside the better advertised brands in the cosmetic planogram.
- **Aziza:** 38 percent of buyers reported they were decreasing space for Aziza, partly because of slowdowns in the sale of Aziza's trendy nail polishing pens.
- Fifty percent said they were cutting back space for **Cutex.** Some buyers said they thought it was getting much harder for companies like Cutex, Andrea, Hazel Bishop, Aziza, etc. to compete with brands like Revlon, Cover Girl, Maybelline, and L'Oreal because the manufacturers of these brands can't afford to maintain the same high levels of consumer advertising expenditures.

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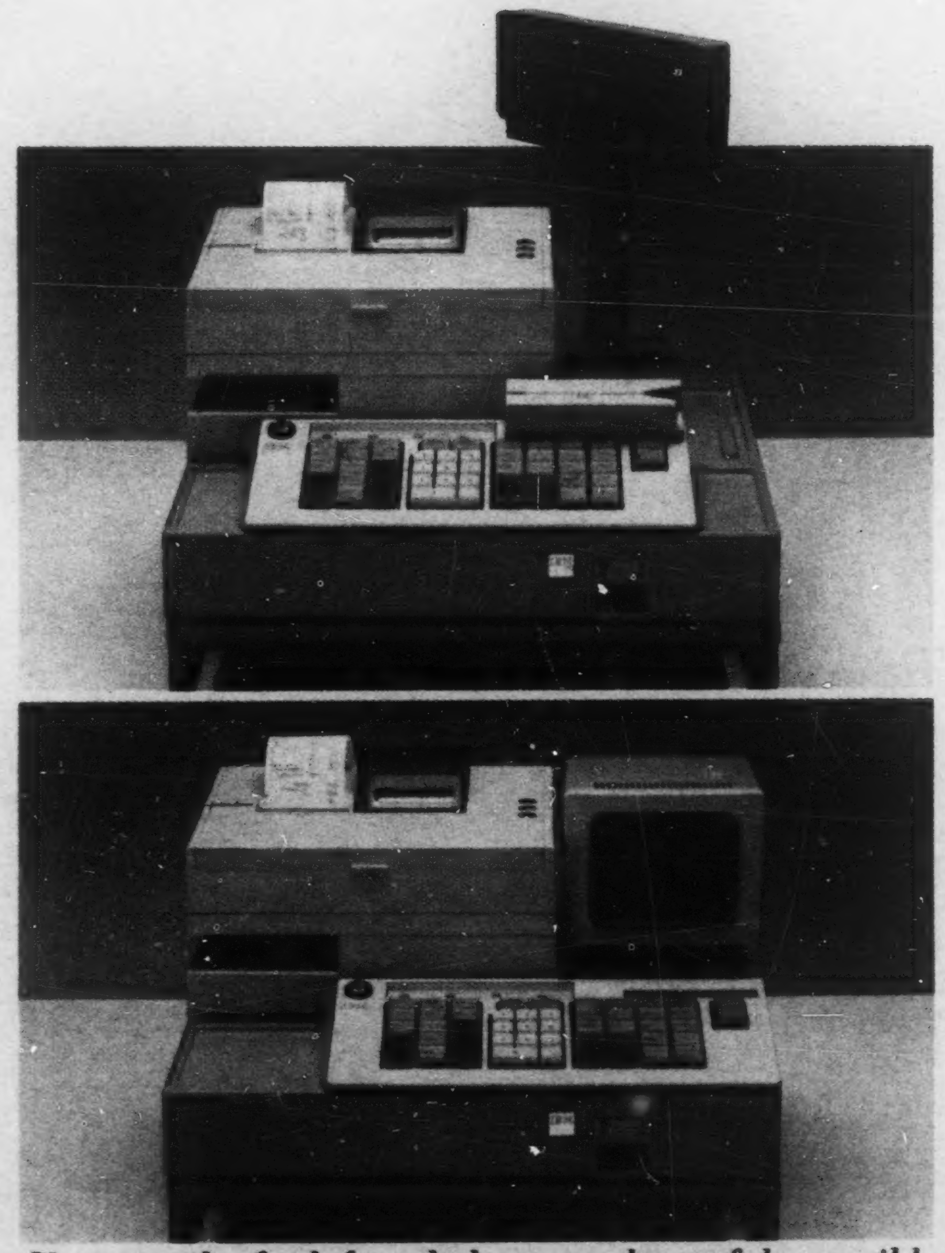

Shown to the far left and above are three of the possible configurations of the IBM 4683 Point of Sale Terminals.

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Buyers review sales of new products, old favorites

Continued from page 29

mascaras, she says, were in the basic shades: teal, navy, or green. The wilder colors did not sell that well.

Another promotion that did well at Begley was L'Oreal's Glossique lip block. The promotion reintroduced Glossique in a tube rather than a pot of gloss, and Carpenter says the 24-piece pre-pack sold very well. Glossique is now slated to go into Begley's planogram.

Del Labs' Flame Glow is not in the Begley cosmetic planogram, but Carpenter did buy their Flame Glow Swirl shadows in their new clear containers, and she says they also sold "very well."

In face make-ups, Begley's best sellers are Cover Girl, Revlon and L'Oreal's Visuelle. "All my make-ups and foundations are doing well this year," Carpenter says. "Maybe it has something to do with the average woman's fear about sun damage to the skin."

In nail treatments, Sally Hansen and Salle 10 both did well.

The Sally Hansen line is in the Begley planogram, but the Salle 10 brands are just featured in promotional prepacks. "They're both doing well." Carpenter says, "but I can't say which is better because comparing a planogramed line to a promotional pre-pack is like comparing apples and oranges."

Carpenter says her two best-selling treatment brands are the Sally Hansen Maximum Growth and the Salle 10 No Chip.

Noxell's new cosmetic line, Clarion, is also doing well at Begley. "I lead my cosmetic department with the Clarion line," says Carpenter. "It's the first section in my department. I think Clarion needs to be on the wall [for the department] to achieve its full potential. I know some chains are only stocking Clarion in the floor display, and they are not getting as strong a sales growth as I am."

Noxell is in the process of extending the Clarion line to nail colors and one kit eye shadows. Carpenter says she feels sales will be strong in those segments, too.

Perry Drug Stores

At Perry Drug in Detroit, vp of merchandising Steve Lund reports that total cosmetic sales are up about 20 percent for the year.

However, much of the growth, says Lund, is due to Perry's expanded advertising for the department.

Perry has also begun reconfiguring its cosmetic and fragrance planograms, and that has caused sales to increase by as much as 30 percent in stores with the new set.

"We haven't made any decor changes," says Lund, "but we have eliminated the generic nail bar, and we've given the entire department a total family presentation."

In its reset, Lund says Perry has "dramatically" increased space for Almay, given more room to Revlon, Maybelline and Cover Girl, and added Clarion to the wall in a two-and-a-half-foot section.

"The family presentation is just a better way to go," says Lund. "We seem to be getting more related sales like a Revlon eye shadow with a Revlon lip stick or a Revlon nail color with a lipstick.

"In many of our remerchandised stores, we increased our total sales by 30 percent. Nail care alone grew that much."

Perry also began stepping up its ads for cosmetics last fall.

[illegible]

% off-shelf sales	% buyers giving response
0-10%	19%
10-30%	50%
31-50%	25%
51% Plus	6%

[illegible]

The chain now does a monthly end cap promotion featuring multiple products, generally from the same manufacturer, once a month.

"We're planograming one end a month," says Lund. "We did this last fall with Revlon and tied it in to a Detroit Pistons game, and it was a fantastic promotion. For that event, we planogramed two endcaps: one end was for professional hair care, and the other was for colored cosmetics. It was quite successful.

"We're centering our ads around the items in the planogram. and we're also staging regular display contests for our store merchandisers," Lund says.

In terms of new product launches, Lund says he can't describe the cosmetic category as "particularly dynamic" this year. "There was a lot of repackaging and relaunching of lines," he says, "but there was nothing that was dramatically new."

Last year's Clarion launch was dramatic, the first launch of a major cosmetic line in many years, and Lund reports that current sales for Clarion are still quite strong in Perry drugstores.

"Clarion's doing very well for us," says Lund. "It's earning its keep in the department."

The mousse make-ups, however, from Factor and Maybelline, which many buyers say are doing very well in their stores this year, were just "doing okay" in the Perry stores.

H.E. Butt Food & Drug

Mary Nell Glitzer, the cosmetic and health and beauty aids Buyer for H.E. Butt, calls Clarion "the overall best new product introduction of the last few years in cosmetics."

Clarion, she says, is "doing real well" in Butt stores.

Glitzer says she plans to break ads for the new Clarion nail and eye shadow line very shortly, and she says she expects the color lines to sell as well as the face make-ups. "It's a good line." she says, "with good advertising and good packaging."

Glitzer also says her success with Clarion illustrates Butt's overall success with cosmetics in 1987. "Most of our lines are doing well right now," she says, "and Clarion is also playing off that.

"Almay has been showing strong growth, and Revlon's shown good growth. Max Factor's up from last year. And the new mousse make-ups from both Factor and Maybelline have been selling very well," she adds.

Glitzer says Revlon's New Complexion make-up line "looks very good. They have pretty good advertising behind it too, and I think it'll do very well."

Glitzer is estimating that overall make-up sales will be up between 8 percent and 10 percent by the end of 1987. "However, we're going against a soft year," she says. "Don't forget that just two years ago, sales were phenomenal in this category."

Nail color sales are "down some" in H.E. Butt stores, Glitzer says. She think the decline may be partly because of all the recent growth in artificial nail sales.

Eye make-up sales have been "really good" at Butt, Glitzer says, "especially the shadow wands, the colored mascaras, and the colored eye liners.

"There are so many new and different items in that category," she says, "that sales have been very strong."

L'Oreal's eye shadows have been doing exceptionally well, Aziza's shadows have been good. Max Factor's Satin Shadows and Revlon's Custom Eyes have also been strong.

"L'Oreal's Lash Out and Maybelline's colored mascaras have done "exceptionally well." she says.

Oddly enough, Glitzer says her sales of nail treatment lines have not been that strong yet. "We haven't seen any strong increases in that category at all yet, but then our market is usually about six months behind the hottest trends in the east and the west.

"I think we'll see some very strong growth in that category in the near future," Glitzer points out, "especially because people have been using so many artificial nail products, they're going to need more nail treatments."

K mart

In K mart stores this year, the strongest growth categories have been the following: kohl pencils, which cosmetic buyer Leo Camara says have been generating "excellent growth"; colored mascara and lip liners, also "excellent"; loose face powders and translucent face powders, which are "becoming very popular"; and skin treatment products are "doing very well".

Camara says the new Clarion line has been "very good" in K mart stores, and so has Maybelline's new mousse make-ups.

"The loose face powders and the translucent powders have been selling well," he says. "Maybelline has a Shine Free powder that is innovatively packaged in an hourglass-style dispenser. It's not messy like a loose powder, and it's selling quite well."

Camara says that to date, K mart's sales of face treatment products are up about 20 percent.

"Women today are more knowledgable about treatment than ever before," he says. "Today, the trend seems to be toward buying a regimen of products rather than individual items.

" I think the regimen idea just needed more exposure to the public. It's like SPF in sun tans. It took three years before the public knew what SPFs were all about, but today the higher SPFs are the best-selling segment of the category. I think skin treatment regimens will go in the same direction."

So far in 1987, Camara says his Oil of Olay sales are still strong, and so are sales of Max Factor's Jacqueline Smith treatment line which K mart carried as an in-and-out promotion.

[illegible]

In-store computers	37.5%
In-store video machines	31.0
Product brochures/ booklets	69.0
In-store product demonstrations	63.0

Right now, Camara says K mart is considering adding a brand-name full skin treatment line to their everyday cosmetic planogram.

Austin Drug Stores

In the New York market, Marlene Isaacson, the cosmetics buyer for Austin Drug, reports very strong sales in cosmetics.

At Austin, Isaacson says the nail care category is still the strongest growth segment in cosmetics, but Austin also does a very strong and still growing business in prestige cosmetics, prestige skin treatment and prestige fragrances.

Austin, in fact, stocks many department store lines as well as the mass prestige cosmetics like Revlon and L'Oreal.

"Lines like Lancombe and Arden are very big for us," says Isaacson. "Their sales this year have been increasing at a good strong rate, and so have our nail care sales: the treatments, the line extenders, and the colors."

Austin has reacted to the strong growth in nail care by creating a seperate merchandising section for the nail care category.

Depending on the size of the store, nail care has its own department ranging from 4 feet in small stores to 12 feet in the larger stores.

The department includes all nail treatment items, all implements, all polish removers, and accessories like emory boards and cotton balls. The only category segment that is not in the nail care section are nail polishes, and that is because Austin prefers to put the colored enamels in with their brand "families."

In facial make-ups, Austin does particularly well with Revlon's Ultima make-ups and with Arden. The Revlon classic line also does well in Austin stores, says Isaacson, and so does Almay.

"The Max Factor line has also picked up a lot since they repackaged it," she says. "We're doing very well with the whole line, everything from the face make-ups through the lipsticks and the nail enamels."

Revlon's Natural Wonder is in the Austin stores, but Isaacson says her stores haven't been doing that well with the line.

"When Revlon first relaunched it, we did very well," she says, "but they were also the first to repackage, and since then, everyone else has repackaged too.

" Maybe they're not advertising it enough, but we find it s just not a popular line," she points out. "We don't even have customers asking for it."

Isaacson says L'Oreal's make-ups have also picked up in sales since they were repackaged, but she adds that "L'Oreal has always done well for us." Also strong are the L'Oreal eye make-ups and their nail polishes.

In colored mascaras, Lancombe is a big seller in the Austin stores. At a lower price point, Del Labs' new colored mascaras under the Flame Glow brand have also done well.

Revlon's new New Complexion make-up is now in the Austin stores, and Isaacson reports initial sales are very good. "I think it's going to be a very good line for us," she says. "We do have a loyal Revlon customer and both the packaging and the quality on this line is very good."

Isaacson says the new Clarion color line from Noxell, however, is not doing as well as it did when Noxell first launched the line.

Sun care growth shines brightly for drug chains

The sun care industry is expected to generate some $400 million in retail dollars by the end of this year, according to the Charles Kline Co. of Fairfield, N. J.

Kline estimates the category will be up about 9 percent in total dollar sales this year. Kline includes sales of after-sun care burn treatment and moisturizing products in their definition of the sun care category. They also track sun care sales through department store outlets.

A.C. Nielsen, which does not include either after-sun treatments or department store sales in their estimates of sun care sales, is predicting a slower growth rate for the category. Nielsen is estimating that the sun care market will be up just 6 percent in 1987, to $250 million. Nielsen just tracks sun care sales in mass retail outlets: drugstores, food stores and mass merchandise stores.

Both Nielsen and Kline, however, still report that the fastest growing segment in sun care are the higher-SPF products.

Retailers from all parts of the country report that their high SPF product sales are soaring, at rates often in excess of 20 percent a year.

Retailers also say that some of their best sellers this year have been the 24-plus SPF products introduced earlier this season, particularly Westwood Pharmaceutical's PreSun 29 for Sensitive Skin, Johnson & Johnson's Sundown Block Cream with an SPF 24 rating, and Coppertone's Water Babies.

However, even though consumers are buying more sun protectors, there still continues to be a strong market for sun tanning products as well. Retailers around the country say their sales of the two leading tanning products, Coppertone and Hawaiian Tropic, are strong, and sales of the repackaged Bain de Soleil are excellent.

At Begley Drug in Kentucky, an especially hot summer helped the sun care category to grow exceptionally well this year.

Sun care buyer Billie Carpenter says that the Bain de Soleil line has done very well this year. "Despite all the anxiety about sun damage," Carpenter says, "sales are trending up strongly."

Carpenter, like many other sun care buyers, reports that her sales of higher SPF products are up dramaticaly.

"PreSun 29," she said, "sold out to the piece. We were out of stock for about a week while we were rushing through a reorder."

Carpenter says that sales of Hawaiian Tropic's 25 SPF were also very good.

But despite the strong growth in the higher-SPF products, Carpenter said she did not see any decrease in the sales of her low SPFs, in the no-SPF tanning oils, or the tanning accellerators.

> 'We had an increase in high-SPF items without taking anything away from the lower SPFs.'
>
> **Billie Carpenter**
> *Sun care buyer*
> *Begley Drug*

"We had an increase in high-SPF items without taking anything away from the lower SPFs," she said. "I think we're getting new consumers into the category. The people who like to tan are still buying their prefered brands and the lower SPFs, but now there are new shoppers: the people who are worried about skin cancer and sun damage."

Carpenter did not have Eclipse's new Cancer Guard in her stores this summer, but she reports the product seems to sell well in other stores in her market, and says she will probably put it in her planogram next year.

She also thinks that food and discount stores have discovered the growth potential of sun care. "I'm seeing a lot more displays in their stores for these items," she says. "I think the drugstore industry is going to have to be a lot more competitive in this category in the future."

Out in Texas, H.E. Butt reports that sun care sales in its combination food and drugstores were very strong this year. Buyer Mary Nell Glitzer reports that the entire category's performance was good, but that higher-SPF product sales were exceptionally strong.

"The higher SPFs did great," says Glitzer, "but they didn't take anything away from my regular tanning product sales. Some of my lines were up 20 percent and more this year.

"I think the higher SPFs are bringing new users into the category. So many older people today are looking for sun protection," Glitzer explained, "and my feeling is that we're going to continue to see this category grow strongly for several more years."

Butt's best sellers this year were Johnson & Johnson's 24 SPF Sundown and Westwood's PreSun 29. Tanning accelerators also did well in her stores, but were not as hot as last year when they were brand new. "People bought them early in the season this year." she said, "and they didn't rebuy as often. We had no problem staying in stock."

The new colored zinc oxides also had mixed results in H.E. Butt stores. In some areas, Glitzer says, "they sold very well. Along the Texas coast, with all the kids going to the beach, they were hot sellers," she said, "but in our Hispanic markets, we just didn't see much movement."

Continued on page 68

Drug stores generate sun care sales share gains

According to A.C. Nielsen, drug store retailers have done a better job this year in competing with food and mass merchandise stores for a stronger share of sun care sales.

Nielsen reports that drug stores had a 52.5 percent share of the sun lotion and sun oil market for the first six months of 1987, compared to a 50.1 percent share for the first six months fo 1987.

Nielsen is also estimating that by year-end, total mass retail sales for this category will be up approximately 6 percent, to $250 million.

Sun care buyers for chain drugstores say they believe their industry has been able to improve its share of sales in this category because drugstores have been advertising sun care more aggressively, and also supporting the category with more in-store displays and with more competitive pricing.

A few retailers also think that the proliferation of higher SPF numbers in sun care has helped their share of sales. Several buyers say it's possible that consumers are using drugstores to shop for sun care lines because they are confused about what the SPF numbers mean, and so, say some buyers, "they come into a drugstore to ask a pharmacist for advice."

"There is a lot of concern today about sun damage," says a store manager for Walgreen's in Chicago. "But many people are confused about SPFs. They don't understand what they are or exactly what they do. All they know for sure is that experts say they should be using them when they go out into the sun.

"Now people can buy higher SPFs in food and discount stores too, but it's just easier, if they have any questions, to buy them in a drugstore," the Walgreen's manager added. "That way they can ask the pharmacist or the clerk which SPF factor is best for them and their skin type."

[illegible]

	1986 Drug	1987 Drug	Food	Mass Merchandisers
Suntan lotions and oils	52.5%	50.1%	25.3%	24.6%

Source: A. C. Nielsen Marketing Research

Mid-1987 sun care launches

Brand	Manufacturer	Quarterly launch date	Product description
Aubrey Organics	Aubrey Organics Tampa, Fla.	2nd '87	Two line extensions: 1. Tan Up Accelerator 2. After Sun Burn Treatment
Formula 1	Tan Line-Formula 1 Oakbrook, Ill.	2nd '87	New line; includes: 1. Dark Tanning Oil 2. Dark Tanning Lotion 3. Dark Tanning Gel 4. After Tan Tan Saver 5. Water Resistant Oil
Aura Cacia	Aura Cacia Rohnert Park, Calif.	2nd '87	Line extension: Sun Butter SPF 4
Eclipse	Eclipse Labs Greenwich, Conn.	2nd '87	Line extension: Total Sunblock Spray 20
Mastey's	Mastey de Paris Paris, France	2nd '87	Line extension: Prot-Ege Hair Sun Screen
Hot Zinx	Del Labs Farmingdale, N.Y.	2nd '87 2nd '87	New line includes: 6 shades of colored zinc oxides
Sun Science	Elizabeth Arden New York, NY	2nd '87	Line extension: Superblock Cream 34
T'rific for Teens	Jason Natural Products Culver City, Calif.	2nd '87	Part of new line: Smart Set Protector SPF 8
Cabot's	West Cabot Cosmetics Central Islip, N.Y.	2nd '87	Line extension: Vitamin E Therapeutic Lip Protector
Alo Sun	Aloe Creme Labs Pompano Beach, Fla.	2nd '87	Line extension: Fashion Tan Waterproof Sunblock Lotion SPF 15
Bonne Bell	Bonne Bell Lakewood, Ohio	2nd '87	New line includes: 1. Waterproofer Sun Bloc SPF 15 2. Waterproofer Moisture Lotion SPF 4 and SPF 6 3. Waterproofer Lip-Proofer SPF 15 4. Waterproof Lip and Face Protection on a String SPF 15
Banana Boat	Sun Labs Delray Beach, Fla.	2nd '87	Line extension: 1. Faces & Sensitive Skin SPF 23 sunblock 2. Dark Tanning Lotion SPF 4

Source: Marketing Intelligence Service Ltd., Naples, N.Y.

A lesson in sun protection products

What does SPF mean?

SPF stands for Sun Protection Factor. Every sun protection product is given an SPF number, and that number tells the user how long that particular product can protect their skin by shielding out the sun's burning rays.

How should someone use an SPF number?

The SPF number is a general guideline for indicating to individuals how long they can remain in the sun without showing signs of redness. If the user knows that they can ordinarily stay in the sun for, say, 15 minutes before their skin starts to redden, then if they buy an SPF 6 sun protector, they'll be able to stay in the sun six times longer than that, or 90 minutes, before their skin starts to redden.

What is the best SPF to buy?

If an individual is fair-skinned or if they are just starting to tan, the safest course for them is to use a product with the highest available SPF. Also recommend a high SPF if the individual is going to stay in the sun for a long period of time.

What skin type(s) should use skin protection factors?

Every skin type, from the darkest to the lightest, should use an SPF. Low SPFs from 2-6 are good for easy tanners or for someone who has been slowly building a tan and wants to deepen it.

The high SPFs, 20 and above, are good for the fairest skin and for vulnerable areas like noses, ears, behind the knees, tops of the feet, etc.

Should the face be given a higher SPF than the rest of the body?

Even if an individual tans easily, the face should always be given more protection than the rest of the body. Some experts recommend starting to tan the face with SPFs of 20 or more, and than shifting to SPFs of between 8 and 15 as the tan develops.

What is the difference between water-resistant and waterproof sun protection products?

Waterproof sun protectors protect the skin for longer stretches at a time. A high SPF water-resistant product can usually protect the skin up to 40 minutes in the water. A waterproof product can protect up to twice as long.

Both water-resistant and waterproof products are best for users who like to swim. Most conventional sunscreen products are removed from the skin by water. Also a large portion of ultraviolet rays are absorbed by water, and this can lead to an underwater burn. Waterproof and water resistant products, however, will continue to protect.

How much sun protection should one apply at any given time?

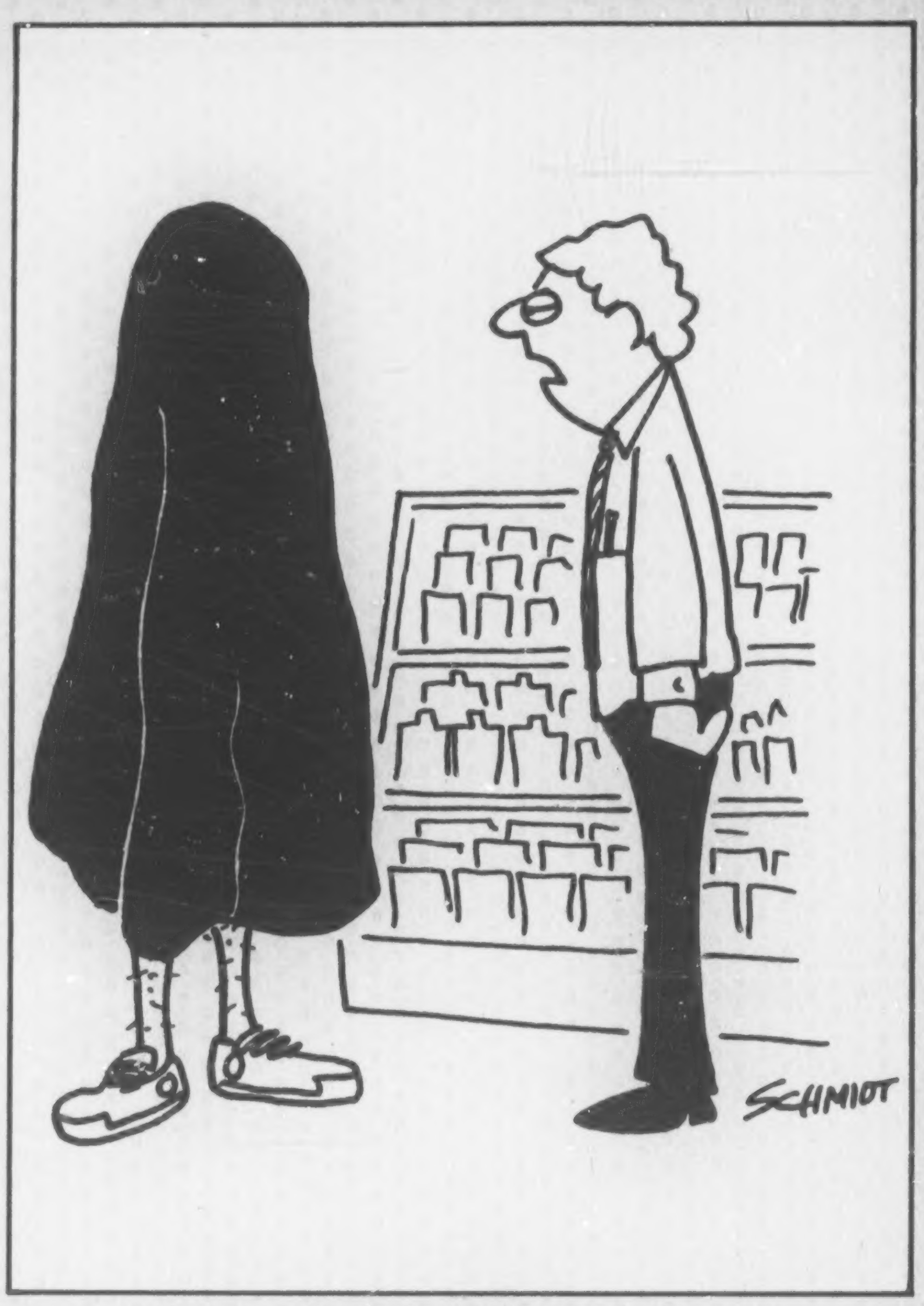
According to dermatologists, most people do not put enough sunscreens on their skin at any given time. The application should be generous or the sun protection won't last as long as the SPF number indicates.

What are the drawbacks to using SPFs products?

Many SPF products use Para-aminobenzoic acid (PABA) as a primary ingredient. PABA, however, can irritate some types of skin and it can also stain clothing.

PABA sunscreens also only block ultraviolet B (UVB) rays, and dermatologists say ultraviolet A (UVA) rays can be just as dangerous, even though they are not as strong a contributor to sun burns as UVB rays.

Many of the new sun protection products now coming onto the market are PABA-free, and they are advertised as being hypo-allergenic and good for protection against UVA and UVB rays. Some even claim to protect the skin from infrared rays.



'That's the only product I have that absolutely prevents tanning!'

Sun care growth shines

Continued from page 66

Glitzer also reports good sales of two make-up brands with SPF coverage mentioned on their packaging. "Almay and Max Factor both have SPF protection in some of their make-ups this year," Glitzer says, "and sales have been good for both brands."

Perry Drug Stores

Perry Drug stores also reported a good year in sun care sales. Vice president of merchandising Steve Lund says sales were particularly helped because 1987 "was a very good sun tanning year in most of our markets."

Lund says the higher SPF products and the tanning accelerators "did very well. Our best sellers were definitely the super blocks," he said, 'but I can't say which were the absolute best sellers yet because I won't see my sun care figures until the end of the year."

At Begley Drug, sun care buyer Billie Carpenter said PreSun 29 was her best performer this past summer with Bain de Soleil's new tan accelerators a close second best.

"I think PreSun 29 was so successful," she said, "because it was a line extension and people were already familiar with the brand."

"The tan accelerators did well because Bain de Soleil had an excellent trial-size promotion on them. At the beginning of the season, they shipped on-packs of their regular line with trial sizes of the tan accelerator attached. They sold through very quickly and people came back and repurchased the regular sizes of the accelerator."

"We sold everything in sun care very well this year," says Mike Conner, sun care buyer for Hartford, Conn.-based Arthur Drug.

"Spraying oils were particularly strong for us, and the Coppertone line did very well this year. Coppertone's Aloe Gel was terrific, and the Coppertone Aloe Spray Mist was good too."

Conner says his number one best seller was PreSun 29. "It was a great launch because they detailed doctors on the launch, and the doctors recommended it. We sold through and didn't have any returns at all. Not even any returns for the SPF 8.

"And we did well, even though it was a high-price brand. People wanted it. It was also very profitable for us."

Colored zincs did not do well in Arthur stores, but Coppertone's Water Babies did, and Conner said the tan accelerators sold so well that manufacturers should think of bringing out some larger sizes.

"People use them so often," he said, "that they really need larger sizes to last a few days longer."

	1983	1986	1987
*Number of new sun care products launched	14	49	73

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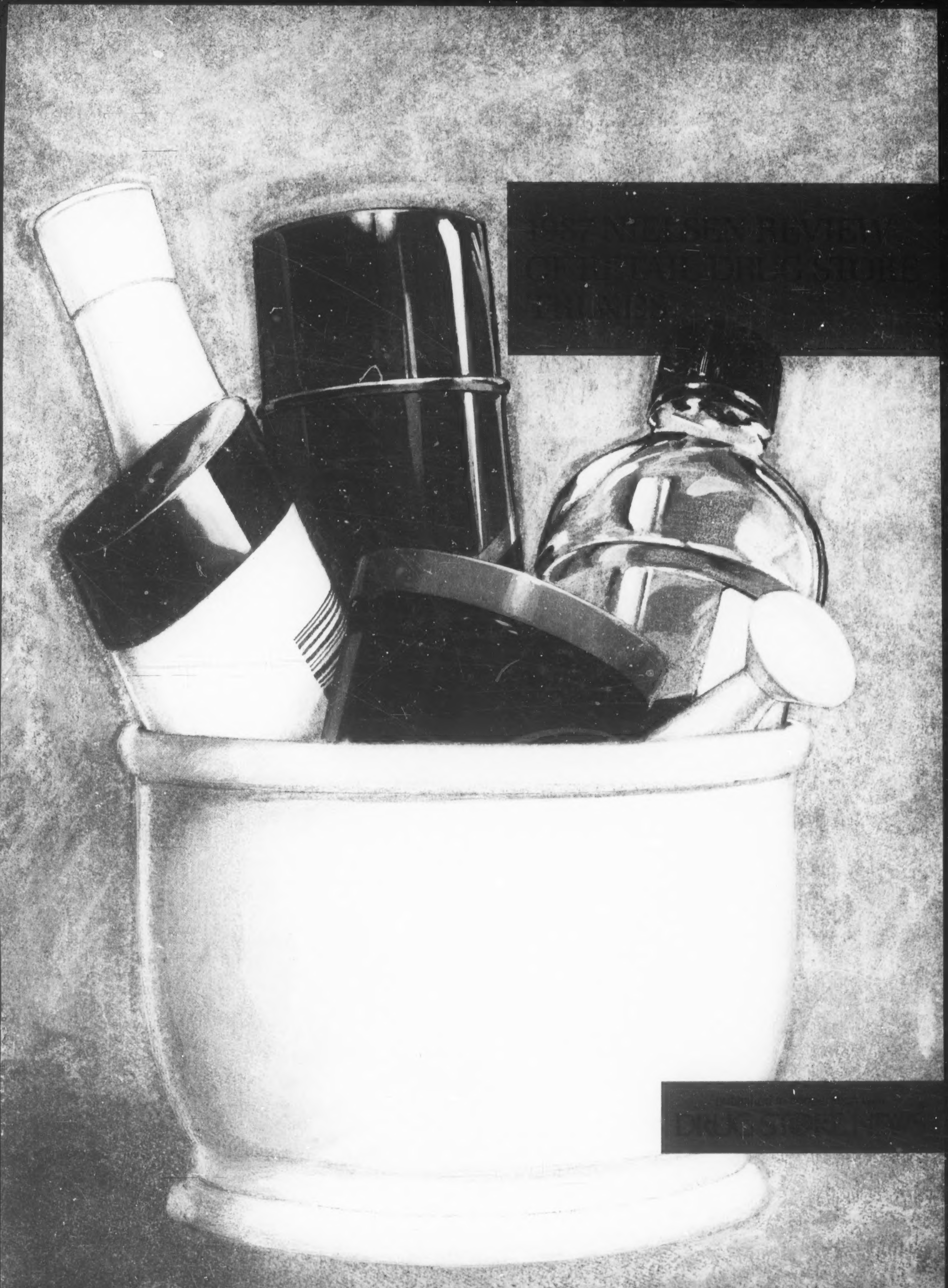

1987 NIELSEN REVIEW OF RETAIL DRUG STORE TRENDS

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DRUG STORE NEWS

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Nielsen Marketing Research would like to thank the staff of Drug Store News for their advice in assembling this review and including it in their October 12, 1987 issue.

INTRODUCTION

1987 NIELSEN REVIEW OF RETAIL DRUG STORE TRENDS

Retail drug store sales increased at a 6% rate during the first half of 1987. This represents a slight decline from last year's 7% increase for the first six months. This year's slight fall off was experienced in both dollar and unit sales.

The 6% growth rate, however, is above the rate of increase for total U.S. retail sales which was 4% for the first six months of 1987.

The information compiled by Nielsen Marketing Research and presented in this publication also shows that:

- Total U.S. retail sales growth increased 4% in the first half of 1987, also a slight decline from the previous year's growth rate. Most of the gains, in fact, were inflationary. Consumers still have money to spend, but the longer the economy remains strong, the more guarded their optimism.
- Drug chains have again begun to experience sales rate increases double those of independent drug store retailers.
- The share of HBA toiletry and remedial product sales sold in food and mass merchandisers continues to increase, at the expense of drug stores.
- Almost 71% of chain drug operations now have computers to help manage pharmacy operations.
- Drug retailer advertising which stressed improvements of store image accounted for 18% of total ad space during the last half of 1986.
- Drug retailer advertising supplements (as opposed to newspaper ads or mailers and circulars) now account for 65% of all advertising.

CHAPTER I:

THE ECONOMIC ENVIRONMENT

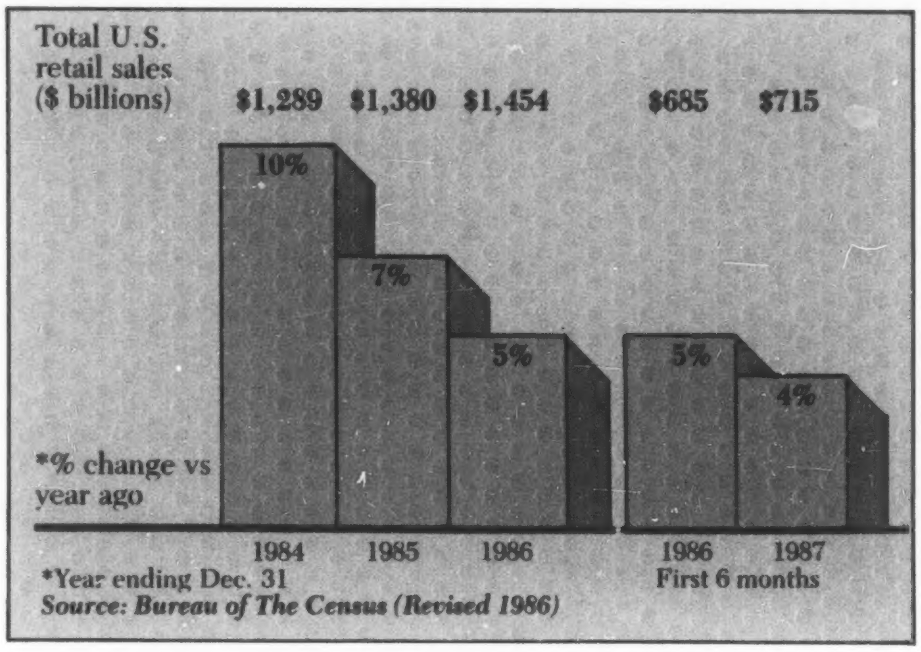
Chart 1 U.S. Retail Sales

Total U.S. retail sales increased 5% in 1986 to $1.4 trillion dollars. This rate represents a slight decline from 1985 when total U.S. retail sales increased 7%.

The growth rate for the first six months of 1987 is also down. Growth was just 4% for the first six months of 1987.

Tax reform contributed its share to last year's retail growth, as consumers rushed to purchase big-ticket items while sales tax and consumer credit interest were still deductible.

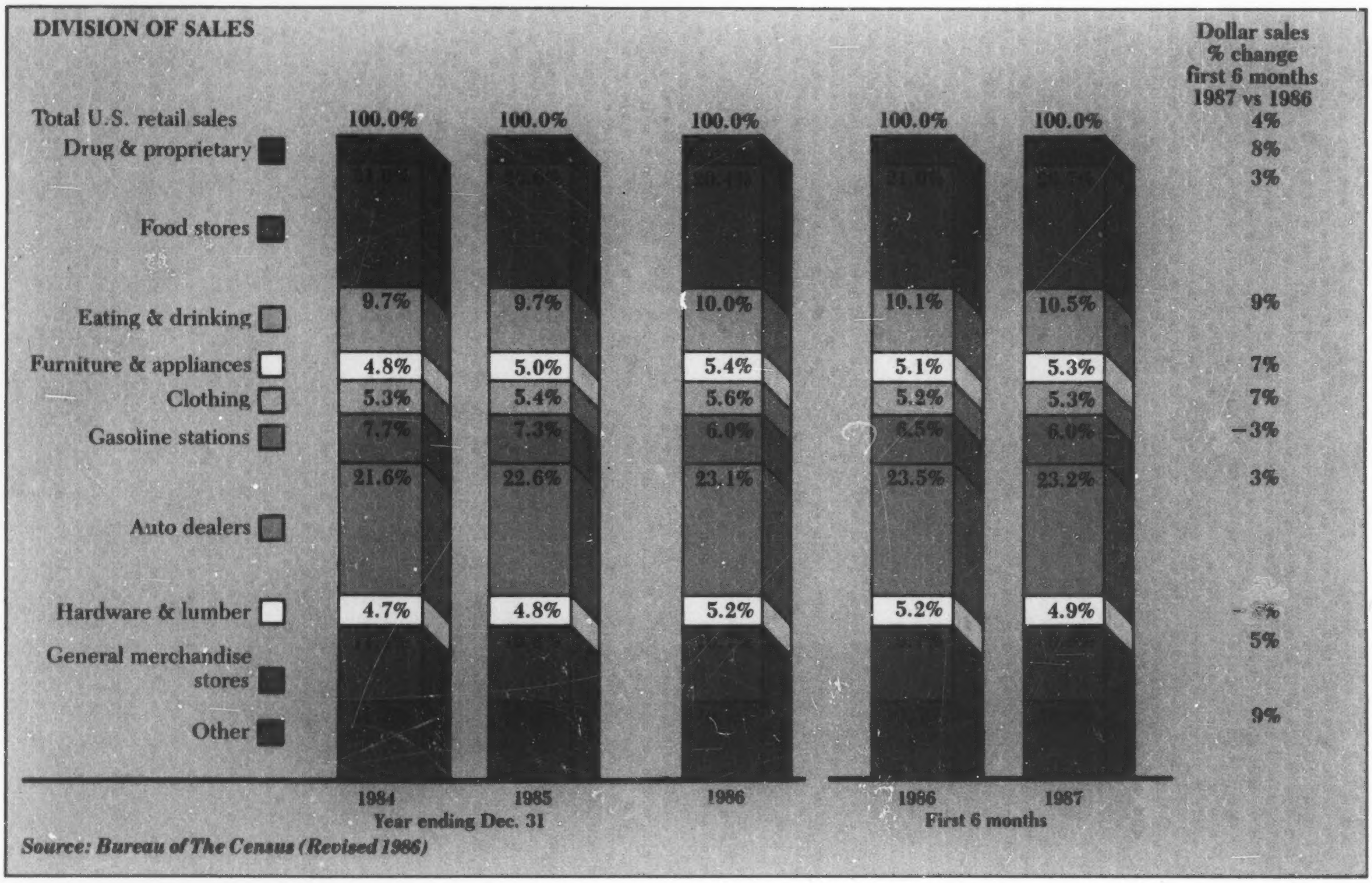
Wall Street celebrated the fifth anniversary of the "bull market" this year, and much of the optimism surrounding the strong economy has turned guarded. Concerned that the economy could lose its strength anytime, many consumers are moving now on major purchases.



*Year ending Dec. 31

Source: Bureau of The Census (Revised 1986)

Chart 2 Division of U.S. Retail Sales



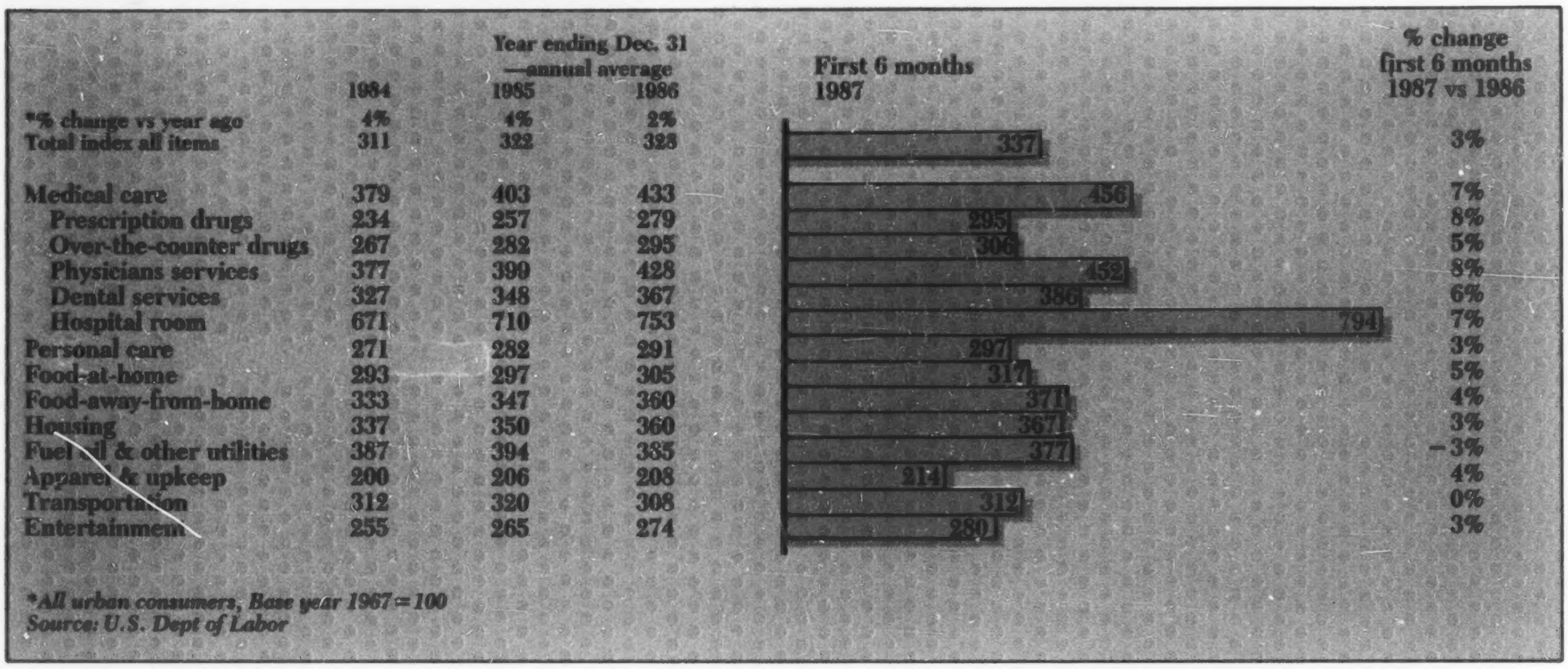
Source: Bureau of The Census (Revised 1986)

Drug stores' share of total U.S. retail sales was 3.4% last year. For the first six months of 1987, their share was 3.5%, inching up from last year as sales in drug stores remain stronger than in many other retail areas.

Eating and drinking establishments have shown the most growth in market share so far this year, another sign of our busy times: the more households without full-time homemakers, the greater the temptation to eat out.

Gasoline stations' share of the pie continued to shrink—although not as radically as last year's 9% drop—due to depressed oil market prices. Hardware and lumber stores' sales volumes were also down in the first half of 1987 as the new housing and construction boom began to abate.

Chart 3 Consumer Price Index*



	1984	Year ending Dec. 31 —annual average 1985	1986	First 6 months 1987	% change first 6 months 1987 vs 1986
*% change vs year ago	4%	4%	2%		
Total index all items	311	322	328	337	3%
Medical care	379	403	433	456	7%
Prescription drugs	234	257	279	295	8%
Over-the-counter drugs	267	282	295	306	5%
Physicians services	377	399	428	452	8%
Dental services	327	348	367	386	6%
Hospital room	671	710	753	794	7%
Personal care	271	282	291	297	3%
Food-at-home	293	297	305	317	5%
Food-away-from-home	333	347	360	371	4%
Housing	337	350	360	367	3%
Fuel oil & other utilities	387	394	385	377	−3%
Apparel & upkeep	200	206	208	214	4%
Transportation	312	320	308	312	0%
Entertainment	255	265	274	280	3%

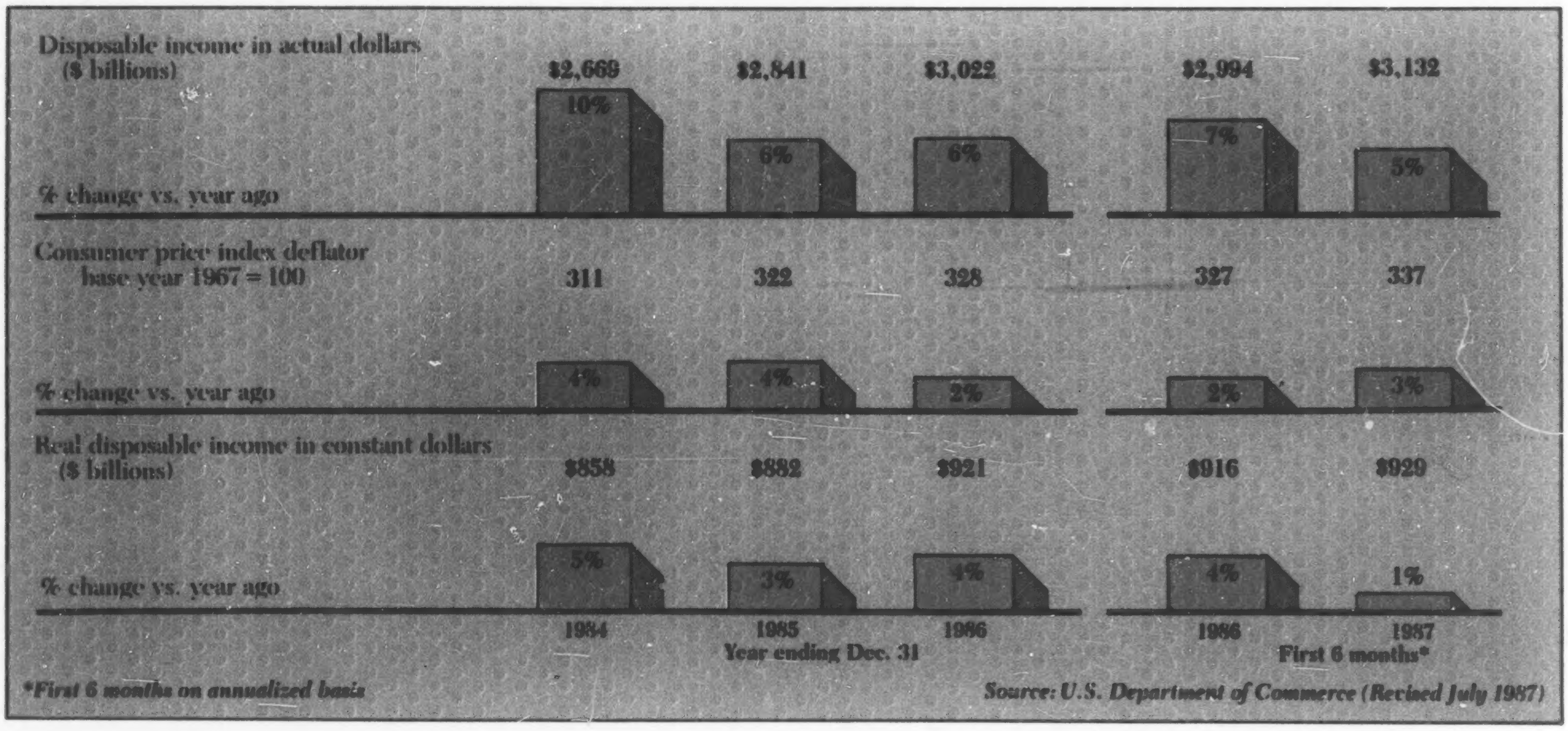
***All urban consumers, Base year 1967 = 100**
Source: U.S. Dept of Labor

Price inflation remains low to moderate. Price inflation was 2% last year and 3% in the first half of this year.

Drugs registered substantial price increases in the first six months of 1987—8% for prescription drugs and 5% for over-the-counter medicines; however, the CPI indexes for these products were among the lowest. Personal care, which includes toiletries and personal services, showed a 3% price increase.

Continued reduction in wholesale oil prices led to a 3% decline in the consumer price of fuel oil and other utilities, making oil the only category to show a price decline in the first half of 1987.

Chart 4 Real Disposable Income Trends



**First 6 months on annualized basis*

Source: U.S. Department of Commerce (Revised July 1987)

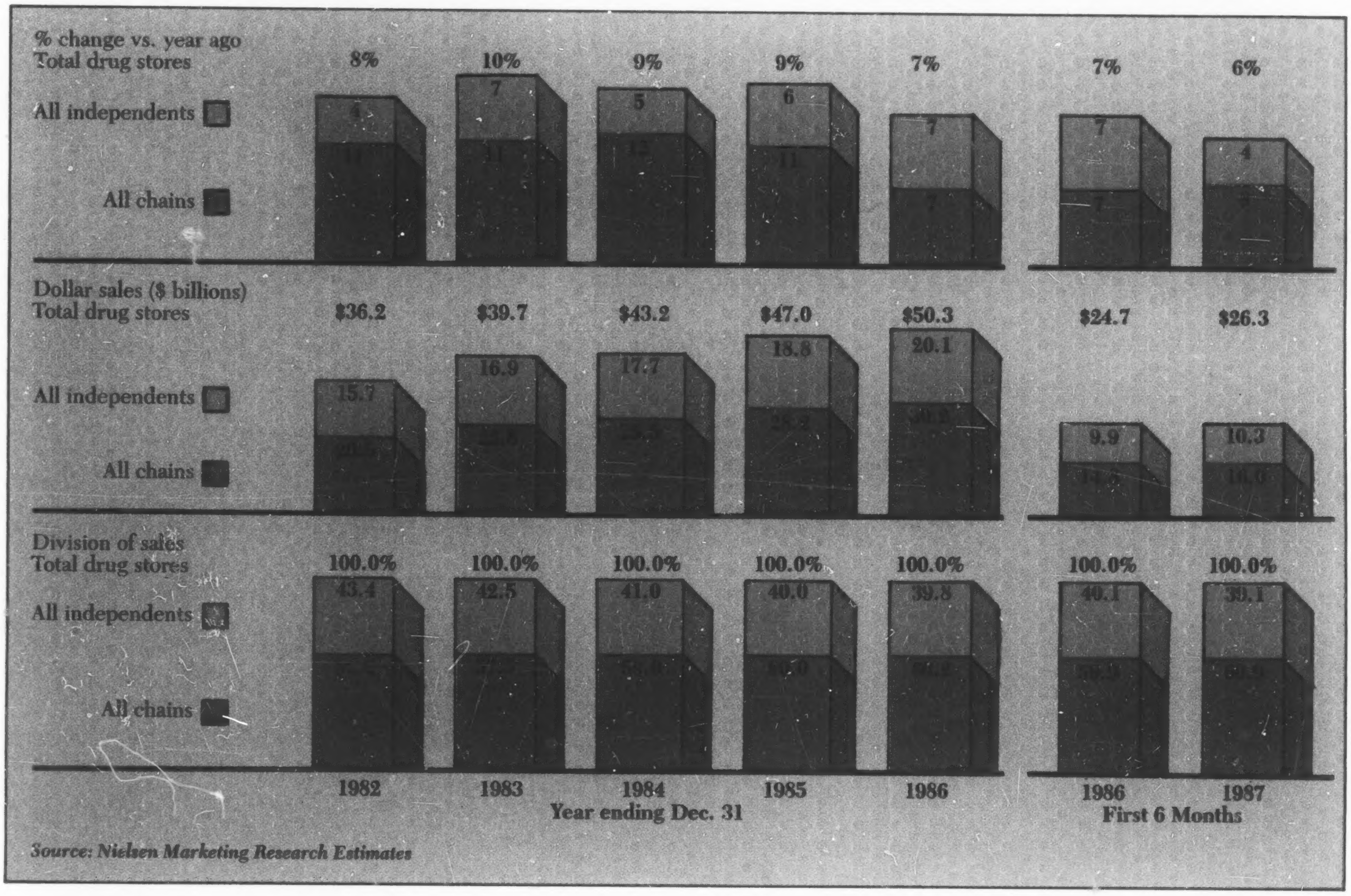
Consumers continue to have more money to spend, although growth in disposable income has moderated sightly this year—from 7% in the first half of 1986 to 5% in the first six months of this year, in actual dollars.

The growth in real disposable income has shown a sharper decline this year—from 4% in the first half of 1986 to only 1% in the same period this year, as inflation begins to pick up.

CHAPTER II:

RETAIL DRUG STORE SALES

Chart 5 U.S. Retail Drug Store Sales And Share—Chains vs. Independents



Source: Nielsen Marketing Research Estimates

Retail drug store sales broke $50 billion last year; growth continued during the first half of 1987 but at a slightly slower pace.

Last year marked a shift in growth patterns, as both chains and independents registered 7% sales increases.

For most of the decade, chain sales had been growing at roughly twice the rate of independent drug store sales. The old pattern has made a comeback this year, however; chains showed an 8% increase in the first six months of 1987, while independents' sales grew 4%.

Chain drug store's share of the sales pie has grown steadily, from 56.6% in 1982 to 60.2% in 1986, to 60.9% in the first half of 1987.

Their strength currently appears to be in improved merchandising of over-the-counter drugs and personal care products, as well as other non-traditional drug store merchandise product lines.

Chart 6 Retail Drug Store Sales—by Nielsen Retail Marketing Area

	1986 Drug Store Dollar Sales ($ millions)*	% change vs. year ago	1986 Share of U.S. Sales	Number of Households (millions)	Index Drug Store Sales Per Household U.S. = 100	Effective Buying Income ($ billions)	Index Buying Income Per Household U.S. = 100
TOTAL UNITED STATES	$50,269	7%	100.0%	87.9	$572	$2,780	$31,608
New England	2,682	10	5.3	4.6	102	167	115
Metro New York	2,544	11	5.1	5.8	77	215	117
Albany/Buffalo/Syracuse	1,585	1	3.2	2.6	106	83	100
Philadelphia	2,098	13	4.2	3.7	98	123	105
Baltimore/Washington	1,871	-2	3.7	2.9	111	108	116
Pittsburgh	1,171	9	2.3	2.4	84	66	85
Cleveland	1,393	4	2.8	2.4	100	75	97
Detroit/Grand Rapids	2,167	4	4.3	3.5	108	113	103
Indianapolis/Cincinnati/Lexington	2,324	8	4.6	4.0	103	117	94
Metro Chicago	2,038	4	4.1	2.9	125	104	115
St Louis/Peoria	1,094	4	2.2	2.2	88	67	97
Kansas City/Omaha/Iowa	1,621	3	3.2	3.7	76	112	95
Minneapolis/Wisconsin	1,836	1	3.7	3.9	83	121	98
Denver/Mountains	989	16	2.0	2.1	84	62	96
Virginia/Carolinas	2,497	11	5.0	4.5	96	127	88
Florida/South Georgia	3,039	9	6.0	4.9	108	142	91
Georgia/Alabama	2,737	11	5.4	5.1	93	139	86
Delta	2,207	6	4.4	4.0	96	104	82
Albuquerque/San Antonio/Oklahoma	1,406	3	2.8	3.7	67	103	89
Dallas/Houston	2,117	-1	4.2	4.0	94	134	107
Southern California	4,026	9	8.0	6.0	116	214	112
Boise/Salt Lake/Phoenix	1,216	17	2.4	2.0	105	57	89
Northern California	3,873	12	7.7	4.1	167	144	112
Seattle/Portland	1,739	0	3.5	2.8	107	83	93

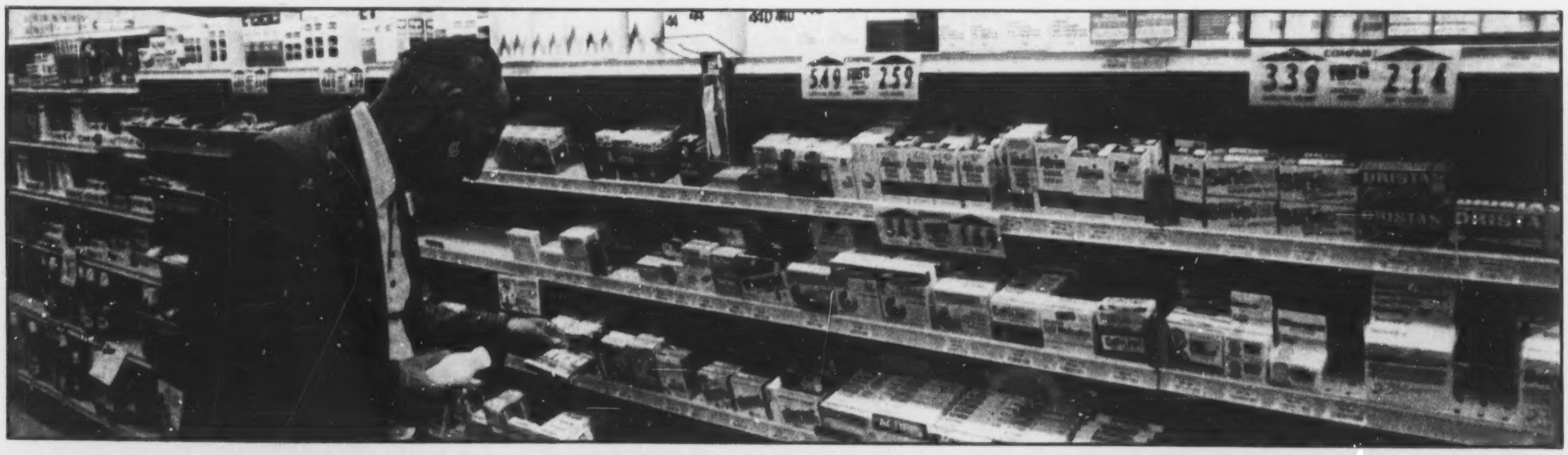
***Year ending Dec. 31**

Source: Nielsen Market Research estimates, Market Statistics estimates

Drug store sales increased an average of 7% across the U.S. in 1986. Coming in with increases well above the national average were the Boise/Salt Lake/Phoenix area (+ 17%), Philadelphia (+ 13%), Northern California (+ 12%), and Virginia/Carolinas, Georgia/Alabama and Metro New York (all + 11%).

Only three areas had no increase in drug store sales last year—Seattle/Portland (- 0%), Dallas/Houston (- 1%), and Baltimore/Washington (- 2%).

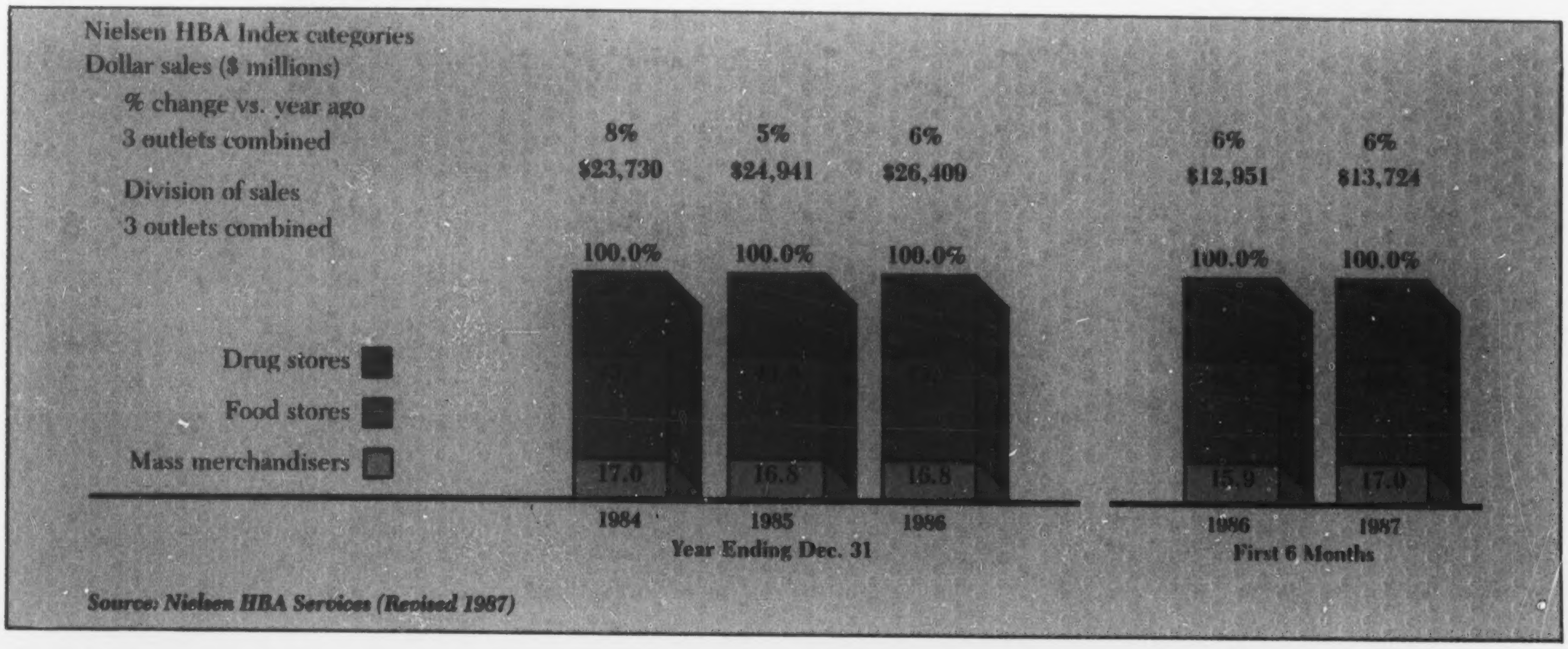
Total drug store sales per capita is highest in Northern California, the Chicago area, Southern California, and Baltimore/Washington. One-stop shopping is especially popular in these areas, and drug stores have been successful with a wide variety of merchandise.



CHAPTER III:

HBA SALES TRENDS

Chart 7 HBA Division Of Sales—Drug vs. Food vs. Mass Merchandisers



Source: Nielsen HBA Services (Revised 1987)

Total dollar sales of the categories that comprise the Nielsen HBA Index are increasing at a rate of 6% a year. Sales were $26.4 billion last year, and at mid-year 1987, sales in these categories stood at $13.7 billion.

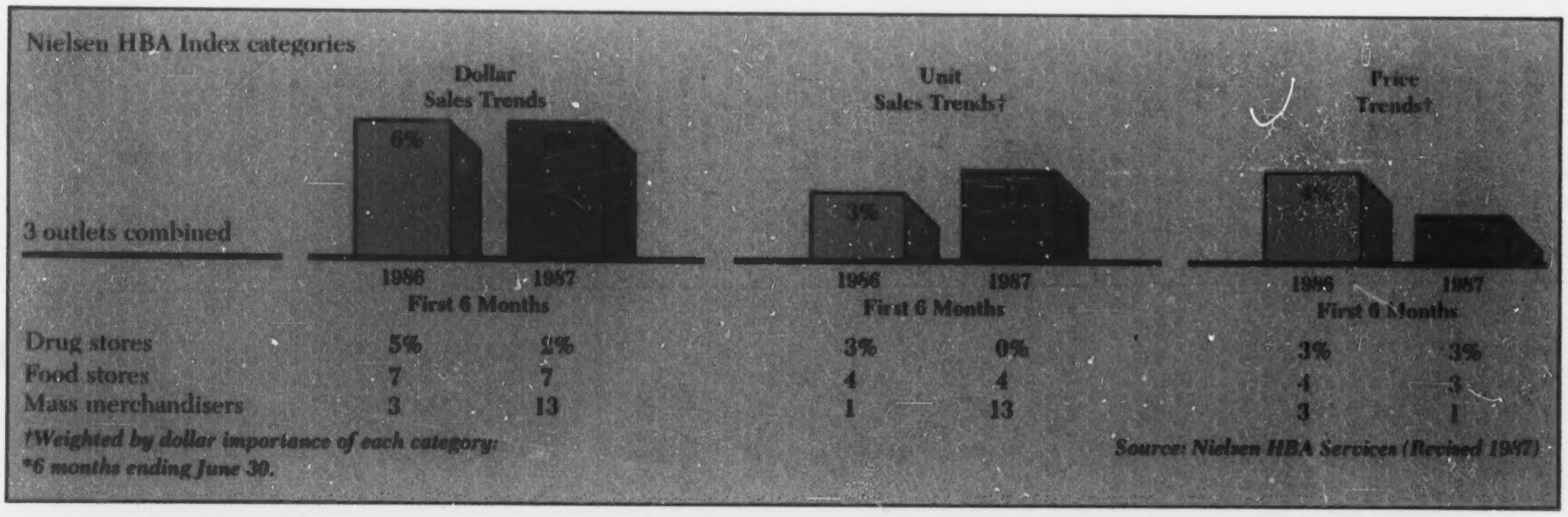
Drug stores' share of the 66 HBA Index categories sales is still being eroded by food stores, which accounted for 44.6% of HBA dollar sales in the first half of this year.

Drug stores' share declined from 39.7% a year ago to 38.4% in early 1987. Mass merchandisers, whose 16.8% share did not increase in 1986, reported a 17.0% share in the first half of 1987.

The Nielsen HBA Index is currently composed of 66 selected over-the-counter toiletry, cosmetic remedial and paper goods categories. No prescription items are included.

(See Chart 11 for a complete list of the 66 Nielsen HBA categories.)

Chart 8 HBA Sales And Price Trends—Drug vs. Food vs. Mass Merchandisers (% change vs. year ago*)



	Dollar Sales Trends 1986	Dollar Sales Trends 1987	Unit Sales Trends† 1986	Unit Sales Trends† 1987	Price Trends† 1986	Price Trends† 1987
Drug stores	5%	2%	3%	0%	3%	3%
Food stores	7	7	4	4	4	3
Mass merchandisers	3	13	1	13	3	1

†Weighted by dollar importance of each category:
**6 months ending June 30.*

Source: Nielsen HBA Services (Revised 1987)

Unit sales of the 66 categories that comprise the Nielsen HBA Index in mass retailer outlets increased 4% between the first six months of 1986 and the same period in 1987.

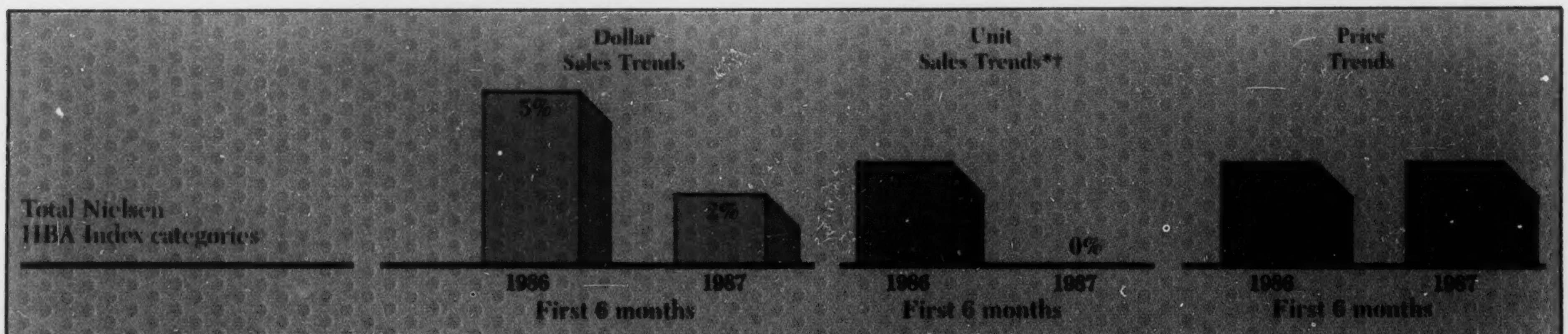
Prices, which had increased 4% in the first half of 1986, rose only 2% so far this year.

Drug stores' HBA unit sales showed no increase in the first half of 1987 after a 3% climb a year ago. Food stores maintained a 4% increase in unit sales for the period, while mass merchandisers unit sales climbed 13% in the first half of this year.

Both food and mass merchandiser sales strengths appeared in toiletries and personal care and remedial products categories while mass merchandisers also enjoyed strong growth in paper products and selected sundries.

The total dollar volume of the 66 categories in the Nielsen HBA Index represented 20.4% ($10.3 billion) of total drug store sales and 4.1% ($11.7 billion) of total food store volume.

■ ■ Chart 9 HBA Sales and Price Trends—Drug Stores (% change vs. year ago*)



	Dollar Sales Trends 1986	Dollar Sales Trends 1987	Unit Sales Trends*† 1986	Unit Sales Trends*† 1987	Price Trends 1986	Price Trends 1987
Total toiletries	5%	3%	3%	0%	3%	3%
Men's products	7	6	3	2	4	4
Skin care	1	7	−2	3	4	3
Hair care	5	−2	7	−4	−1	2
Oral hygiene	7	5	3	−1	4	6
Color cosmetics	7	3	4	1	3	3
Other toiletries	4	3	0	0	4	3
Total remedial	6	2	3	−1	3	4
Cold/cough/flu/sinus remedies	8	2	2	−2	6	4
Analgesics/digestive remedies	4	0	3	−3	2	4
External medicines	9	10	6	8	3	2
Paper goods	5	0	−1	−2	6	2
Selected sundries	4	6	5	6	−1	0

**6 months ending June 30*
†Weighted by dollar sales importance

Source: Nielsen HBA Services (Revised 1987)

HBA dollar sales in drug stores increased 2% during the first part of 1987.

Categories performing above average were external medicines (+ 10%) particularly contact lens solutions which is classified in that group.

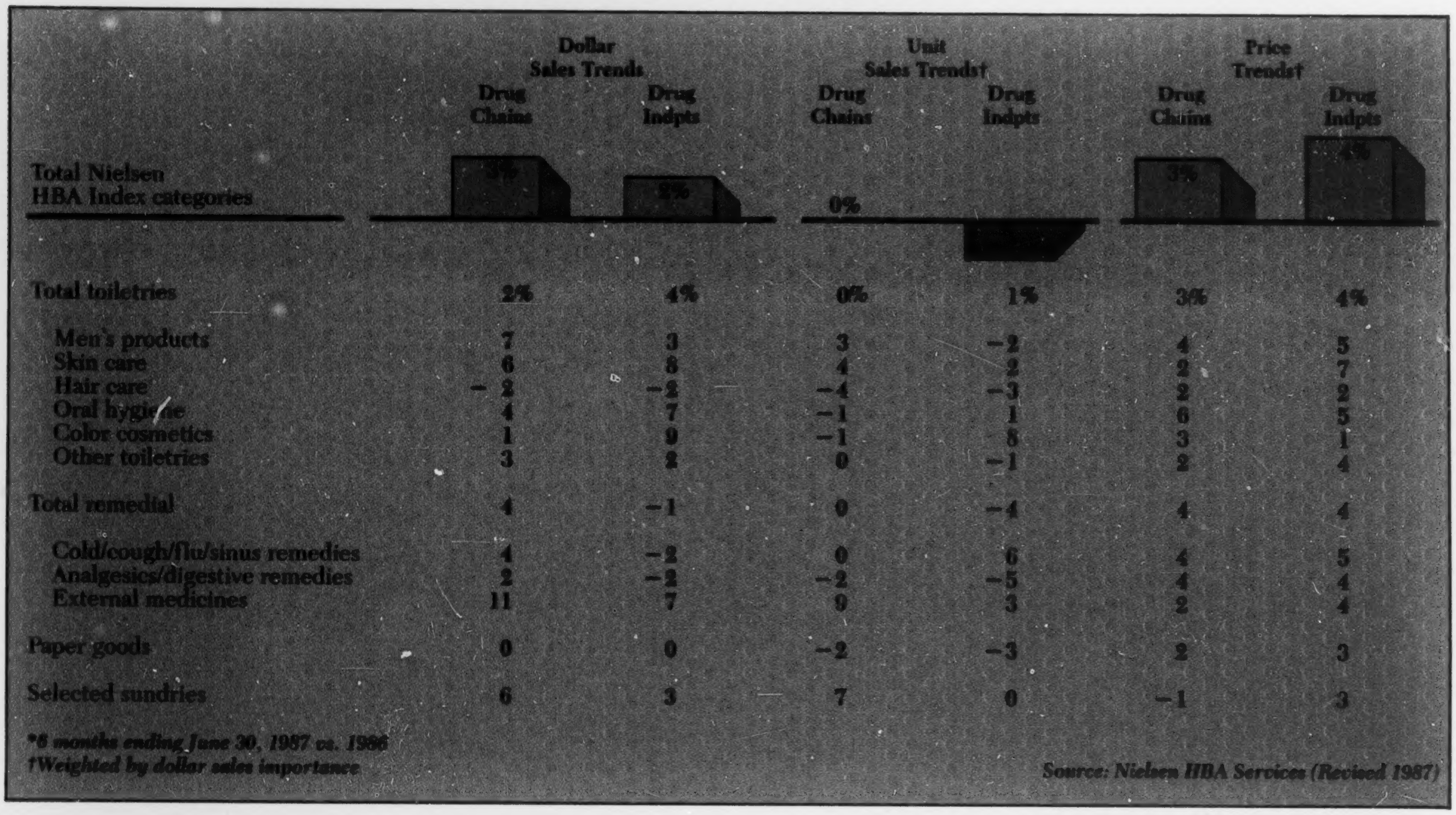
In addition, skin care products (+ 7%) including bath oil and suntan lotions; and men's products (+ 6%) including aftershave lotion and cologne are trending above average.

In selected sundries (+ 6%) the battery category is strong.

Even so, unit growth in drug stores is at a stand still and even below a year ago in the hair care and internal remedial categories.

HBA SALES TRENDS

Chart 10 HBA Sales and Price Trends—Drug Chains vs. Independents (% change vs. year ago*)



	Dollar Sales Trends		Unit Sales Trends†		Price Trends†	
	Drug Chains	Drug Indpts	Drug Chains	Drug Indpts	Drug Chains	Drug Indpts
Total Nielsen HBA Index categories	3%	2%	0%	[illegible]	3%	4%
Total toiletries	2%	4%	0%	1%	3%	4%
Men's products	7	3	3	−2	4	5
Skin care	6	8	4	2	2	7
Hair care	−2	−2	−4	−3	2	2
Oral hygiene	4	7	−1	1	6	5
Color cosmetics	1	9	−1	8	3	1
Other toiletries	3	2	0	−1	2	4
Total remedial	4	−1	0	−4	4	4
Cold/cough/flu/sinus remedies	4	−2	0	6	4	5
Analgesics/digestive remedies	2	−2	−2	−5	4	4
External medicines	11	7	9	3	2	4
Paper goods	0	0	−2	−3	2	3
Selected sundries	6	3	7	0	−1	3

*6 months ending June 30, 1987 vs. 1986
†Weighted by dollar sales importance

Source: Nielsen HBA Services (Revised 1987)

Drug chains dollar sales of the 66 categories in the Nielsen HBA Index increased by 3% during the first six months of this year, while HBA dollar sales in independent drug stores increased at a 2% rate. Price inflation is currently accounting for all growth.

Even so, there were some categories that are turning in outstanding performances including external remedies, and skin care in both chains and independents and color cosmetics and cough/cold products in independents.

The total dollar volume of the 66 categories in the Nielsen HBA Index now represents 25.6% of chain drug total volume and 12.8% of independent total volume.

DRIXORAL
12 hour relief
DRIXORAL
12 hour relief of Colds, Allergy/Sinus Symptoms
COTYLENOL
COLD MEDICATION
COLDCAPS
COMMON COLDS and HAY FEVER
CONTAC
NyQuil

Chart 11 HBA Category Sales Trends—Drug Stores (% change vs. year ago*)

Nielsen HBA Index categories

3 Categories Showing Major Increase in Dollar Sales (greater than +10%)

- MOUTHWASH
- BATH OIL
- SINUS REMEDIES

19 Categories Showing Moderate Increase in Dollar Sales (+6% to +10%)

- CONTACT LENS SOLUTIONS
- SUNTAN LOTIONS & OILS
- NASAL SPRAY
- EXTERNAL ANALGESICS
- AFTERSHAVE LOTION/COLOGNE
- FACE MAKEUP
- LIP MAKEUP
- FOOT REMEDIES
- EARLY PREGNANCY TEST
- HAND & BODY LOTIONS
- ACNE REMEDIES
- LAXATIVES
- TOOTHBRUSHES
- BATTERIES
- HAIR FIXATIVES
- COUGH DROPS
- DIAPER RASH CREAMS
- DENTAL FLOSS
- BLADES & RAZORS

19 Categories Showing Increase in Dollar Sales (+1% to +5%)

- DIARRHEA REMEDIES
- EYE DROPS & LOTIONS
- INSECT REPELLENTS
- INTERNAL ANALGESICS
- BABY OIL
- DEPILATORIES
- SLEEPING TABLETS
- WOMEN'S FRAGRANCES
- FACE CREAMS & LOTIONS
- HAIR COLOR
- DEODORANTS
- COLD REMEDIES
- TOPICAL HYDROCORTISONES
- HEMORRHOID PREPARATIONS
- CHAPPED LIP PREPS
- SANITARY PROTECTION
- FEMININE DOUCHES
- BABY BATH
- PRE-MOISTENED TOWELETTES

6 Categories Showing No Increase or Decrease in Dollar Sales (0%)

- BABY POWDER
- STOMACH REMEDIES/ANTACID
- BABY LOTION
- DENTIFRICE
- DENTURE ADHESIVES
- SHAMPOO

11 Categories Showing Decrease in Dollar Sales (−1% to −5%)

- DENTURE CLEANSERS
- TALC/DUSTING POWDER
- COTTON SWABS
- SHAVING CREAM
- EYE MAKEUP
- AFTER SHAMPOO
- DISPOSABLE DIAPERS
- MEN'S HAIR PREPS
- WOMEN'S CONTRACEPTIVES
- COUGH SYRUP
- VITAMINS

5 Categories Showing Moderate Decrease in Dollar Sales (−6% to −10%)

- THROAT LOZENGERS
- NAIL COLOR
- ARTHRITIC REMEDIES
- HOME WAVE KITS
- ETHNIC HAIR PREPS

3 Categories Showing Major Decrease in Dollar Sales (greater than −10%)

- DIETING AIDS
- PET FLEA COLLARS
- MOUSSE

**6 months ending June 30, 1987 vs. 1986*

Forty-one product categories registered dollar sales increases in the first half of 1987, ten fewer than last year.

Bath oil, on the greater than sales increase list last year, continued its strong showing, and sinus remedies jumped from the 1-to-10% sales increase category in 1986 to the greater than growth list in 1987.

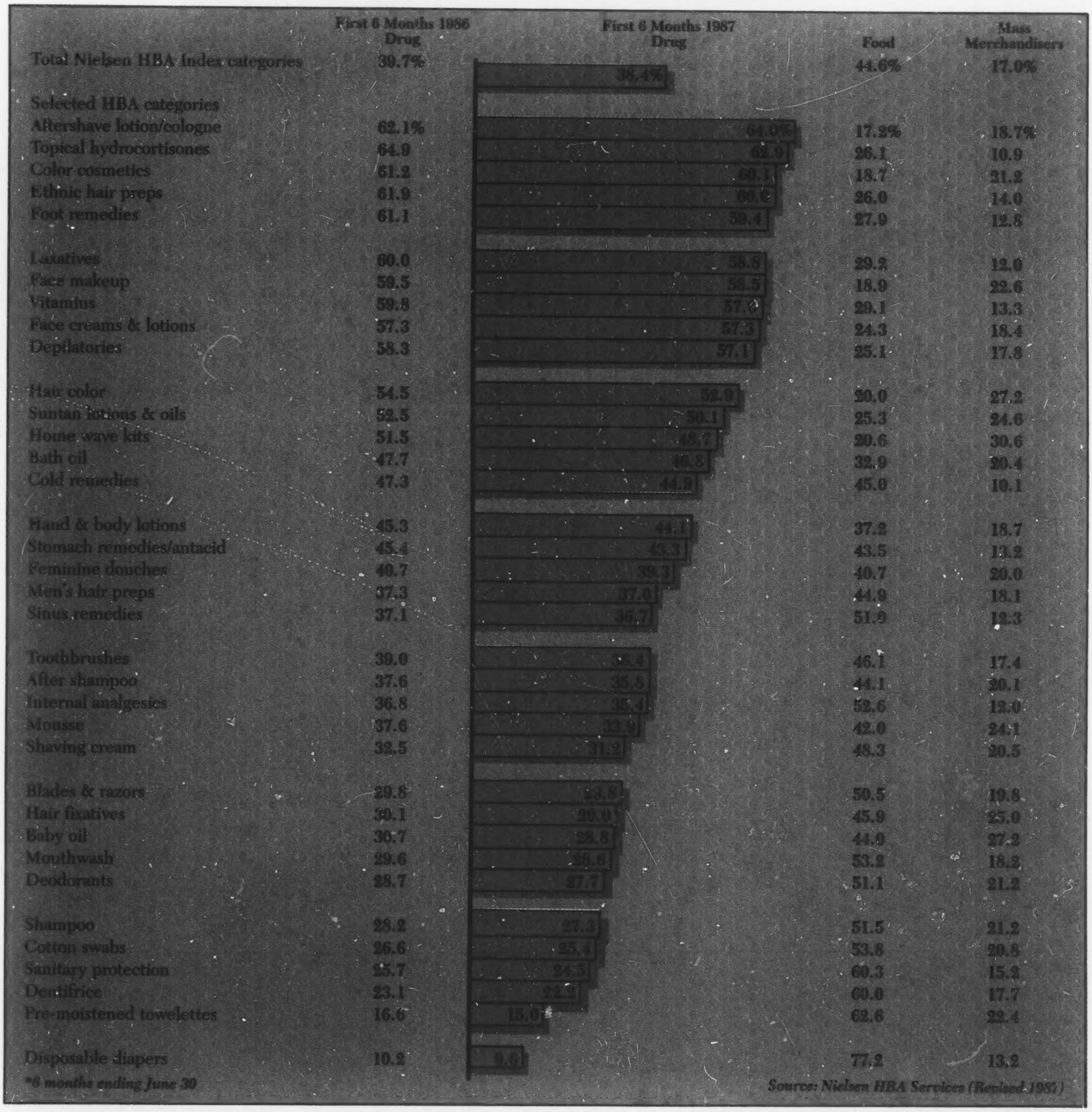
It should be noted that the diet aids category shown here does not include meal replacement products.

Atra
TRAC II
TRIAL SIZ
Lubrid

CHAPTER IV:

HBA INVENTORY TRENDS

Chart 12 Division of Selected HBA Category Dollar Sales (Drug vs. Food vs. Mass Merchandise Stores*)



	First 6 Months 1986 Drug	First 6 Months 1987 Drug	Food	Mass Merchandisers
Total Nielsen HBA Index categories	39.7%	38.4%	44.6%	17.0%
Selected HBA categories				
Aftershave lotion/cologne	62.1%	64.0%	17.2%	18.7%
Topical hydrocortisones	64.9	62.9	26.1	10.9
Color cosmetics	61.2	60.1	18.7	21.2
Ethnic hair preps	61.9	60.0	26.0	14.0
Foot remedies	61.1	59.4	27.9	12.8
Laxatives	60.0	58.8	29.2	12.0
Face makeup	59.5	58.5	18.9	22.6
Vitamins	59.8	57.6	29.1	13.3
Face creams & lotions	57.3	57.3	24.3	18.4
Depilatories	58.3	57.1	25.1	17.8
Hair color	54.5	52.0	20.0	27.2
Suntan lotions & oils	52.5	50.1	25.3	24.6
Home wave kits	51.5	48.7	20.6	30.6
Bath oil	47.7	46.8	32.9	20.4
Cold remedies	47.3	44.9	45.0	10.1
Hand & body lotions	45.3	44.1	37.2	18.7
Stomach remedies/antacid	45.4	43.3	43.5	13.2
Feminine douches	40.7	39.3	40.7	20.0
Men's hair preps	37.3	37.0	44.9	18.1
Sinus remedies	37.1	36.7	51.0	12.3
Toothbrushes	39.0	36.4	46.1	17.4
After shampoo	37.6	35.8	44.1	20.1
Internal analgesics	36.8	35.4	52.6	12.0
Mousse	37.6	33.9	42.0	24.1
Shaving cream	32.5	31.2	48.3	20.5
Blades & razors	29.8	29.8	50.5	19.8
Hair fixatives	30.1	29.0	45.9	25.0
Baby oil	30.7	28.8	44.0	27.2
Mouthwash	29.6	28.6	53.2	18.2
Deodorants	28.7	27.7	51.1	21.2
Shampoo	28.2	27.3	51.5	21.2
Cotton swabs	26.6	25.4	53.8	20.8
Sanitary protection	25.7	24.5	60.3	15.2
Dentifrice	23.1	22.2	60.0	17.7
Pre-moistened towelettes	16.6	15.0	62.6	22.4
Disposable diapers	10.2	9.6	77.2	13.2

*6 months ending June 30

Source: Nielsen HBA Services (Revised 1987)

Of the 36 selected categories examined, aftershave lotions and colognes edged out topical hydrocortisone products this year as "The Product Most Likely to Be Bought in Drug Stores."

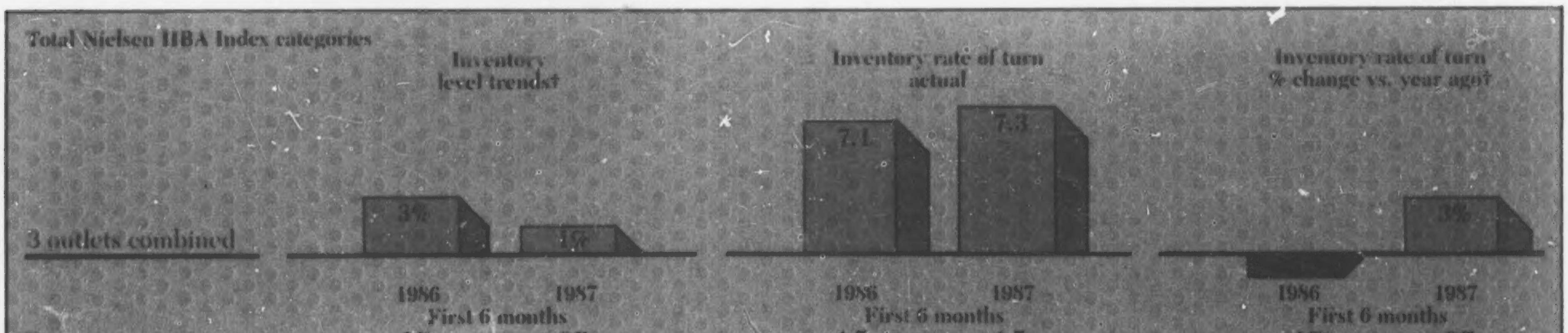
Sixty-four percent of aftershave lotion/cologne sales were in drug stores in the first half of 1987, up from 57.7% a year ago.

The bad news is that the aftershave category was the only one of the 36 listed in which drugstores increased their share of sales this year.

Drug stores' share of face cream and lotion sales remained steady—57.3%, while their share in the 34 other categories declined.

Food stores accounted for at least 50% of sales in 11 of the categories listed. Food stores dominate the disposable diaper market by a large margin. Mass merchandisers, while they do not have a majority share of sales in any category, continue to increase their share of the HBA sales pie.

Chart 13 HBA Inventory Trends—Drug vs. Food vs. Mass Merchandisers (% change vs. year ago*)



Total Nielsen HBA Index categories	Inventory level trends† 1986	Inventory level trends† 1987	Inventory rate of turn actual 1986	Inventory rate of turn actual 1987	Inventory rate of turn % change vs. year ago† 1986	Inventory rate of turn % change vs. year ago† 1987
3 outlets combined	3%	1%	7.1	7.3		3%
Drug stores	2%	0%	4.5	4.5	1%	0%
Food stores	7	2	10.5	10.5	−3	1
Mass merchandisers	1	3	6.9	7.7	0	11

*6 months ending June 30
†Weighted by dollar sales importance

Source: Nielsen HBA Services (Revised 1987)

HBA inventory levels edged up 1% in the first half of 1987 after a 3% increase in the same period last year.

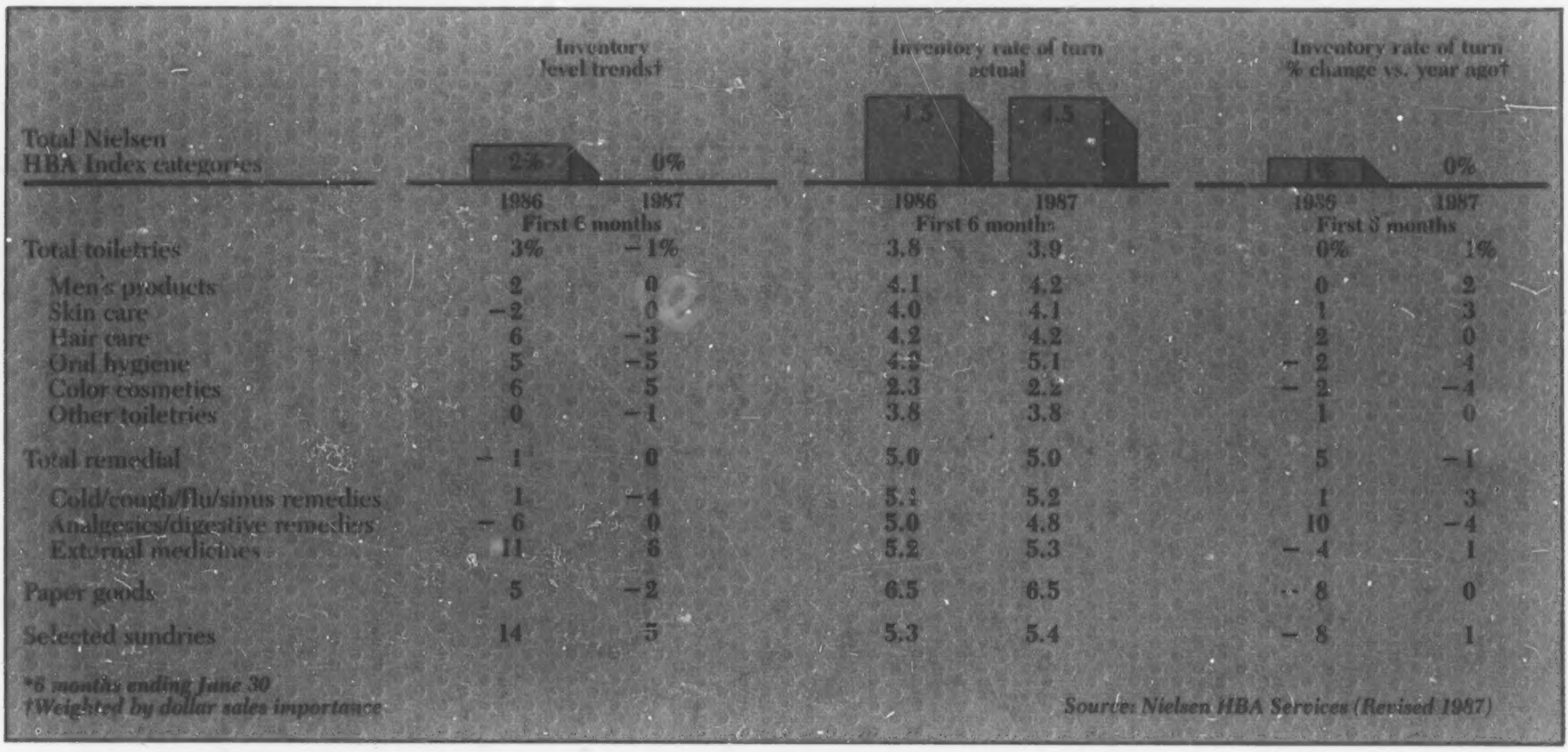
Drug stores' inventory levels were unchanged; food stores increased their HBA inventories at a slower pace than a year ago—2% as compared to 7%; and mass merchandisers added 3% more inventory.

Of the three types of outlets, food stores have the highest HBA turn rate, and drug stores have the lowest.

Both food and drug stores' rates, however, did not increase between the firse half of 1986 and the first half of 1987, while mass merchandisers increased their rate from 6.9 to 7.7

Overall turn rates are up 3% for all outlets, after a 1% decline a year ago. The increase has come from mass merchandisers, whose turn rate was up 11% this year.

Chart 14 HBA Inventory Trends—Drug Stores (% change vs. year ago*)



Total Nielsen HBA Index categories	Inventory level trends† 1986	Inventory level trends† 1987	Inventory rate of turn actual 1986	Inventory rate of turn actual 1987	Inventory rate of turn % change vs. year ago† 1986	Inventory rate of turn % change vs. year ago† 1987
Total toiletries	3%	−1%	3.8	3.9	0%	1%
Men's products	2	0	4.1	4.2	0	2
Skin care	−2	0	4.0	4.1	1	3
Hair care	6	−3	4.2	4.2	2	0
Oral hygiene	5	−5	4.9	5.1	−2	4
Color cosmetics	6	5	2.3	2.2	−2	−4
Other toiletries	0	−1	3.8	3.8	1	0
Total remedial	−1	0	5.0	5.0	5	−1
Cold/cough/flu/sinus remedies	1	−4	5.1	5.2	1	3
Analgesics/digestive remedies	−6	0	5.0	4.8	10	−4
External medicines	11	6	5.2	5.3	−4	1
Paper goods	5	−2	6.5	6.5	−8	0
Selected sundries	14	5	5.3	5.4	−8	1

*6 months ending June 30
†Weighted by dollar sales importance

Source: Nielsen HBA Services (Revised 1987)

There was no increase in drug store inventory levels in the first six months of this year. Inventory stockturn rates remained at an annual average of 4.5 time per year—the same as a year ago.

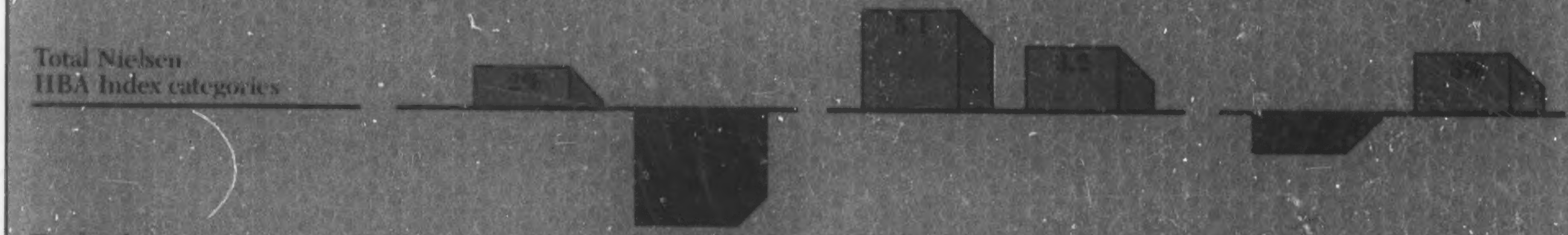
Turn rates for toiletries edged up slightly as hair care and oral hygiene inventories were reduced.

External medicines (contact lens solutions) and sundries, (batteries) have been the only categories with both increased inventory levels and improved turn rates as sales have more than paced inventory build ups.

Overall inventory levels for remedial products were unchanged; for toiletries, inventory levels were down 1%; for paper goods, they were down 2%.

HBA INVENTORY TRENDS

Chart 15 HBA Inventory Trends—Drug Chains vs. Independents (% change vs. year ago*)



	Inventory level trends†		Inventory rate of turn actual†		Inventory rate of turn change vs. year ago†	
	Drug Chains	Drug Indpts	Drug Chains	Drug Indpts	Drug Chains	Drug Indpts
Total toiletries	1%	− 5%	4.4	2.5	−1%	5%
Men's products	3	− 6	5.0	2.4	0	5
Skin care	2	− 4	4.8	2.6	1	6
Hair care	− 2	− 8	4.6	2.9	−2	6
Oral hygiene	− 4	− 6	5.6	3.6	3	7
Color cosmetics	6	1	2.5	1.4	−7	6
Other toiletries	1	− 4	4.4	2.2	−1	3
Total remedial	5	− 7	5.8	3.7	−4	3
Cold/cough/flu/sinus remedies	2	−12	6.1	3.9	−2	7
Analgesics/digestive remedies	4	− 5	5.6	3.7	−5	0
External medicines	11	− 4	6.1	3.7	−2	8
Paper goods	− 1	− 6	7.2	3.9	1	2
Selected sundries	7	− 3	5.8	3.8	0	3

*6 months ending June 30, 1987 vs. 1986
†Weighted by dollar sales importance

Source: Nielsen HBA Services (Revised 1987)

Independent drug store retailers decreased their inventories by 6% in the first six months of 1987. Inventory levels decreased in all categories except color cosmetics. This helped turnover rates (inventory efficiency) increase by an average of 3% for the 66 Nielsen HBA Index categories.

The increased inventories in chain stores were not commensurate with sales: turnover rates in chain stores declined 2% from a year ago.

CHAPTER V:

SPACE ALLOCATION

■ ■ Chart 16 HBA Average Linear Feet Of Shelf Space By Store Type *

	Drug Chains		Drug Large Independents		Food Chains Over $2 million		Mass Merchandise	
	1986	1987	1986	1987	1986	1987	1986	1987
SELECTED TOILETRIES & PERSONAL CARE								
After shave lotion/cologne	30 ft	31	22 ft	19 ft	7 ft	8 ft	20 ft	20 ft
Dentifrice	54	59	22	20	37	48	61	58
Denture adhesive/cleanser	26	23	14	14	11	11	23	21
Deodorants	64	67	29	28	42	49	96	103
Face creams & lotions	25	27	13	14	8	11	20	21
Hair coloring	71	72	30	24	19	20	76	75
Hair fixitives	41	45	16	14	19	24	61	61
Hair preparations	72	70	29	28	34	36	80	73
Hand lotions & creams	30	30	16	18	14	15	33	35
Home wave kits	16	16	10	8	5	6	21	21
Mouthwash	30	31	11	11	19	19	45	47
Shampoos	69	69	31	28	43	44	87	87
Shaving cream	19	23	10	9	11	12	27	27
SELECTED REMEDIAL CATEGORIES								
Acne remedies	19	18	13	14	7	8	15	15
Stomach remedies/antacids	37	36	26	24	14	15	36	37
Chest rubs	7	7	6	5	3	3	3	4
Cold & sinus remedies	47	47	29	30	22	22	33	34
Cough syrups	26	19	14	12	8	8	13	13
Internal Analgesics	57	59	32	33	28	31	49	51
Laxatives	38	38	28	26	11	11	24	23
Nasal sprays & drops	10	10	8	7	5	5	7	7
Vitamins	85	90	61	54	34	36	90	91
SELECTED PAPER PRODUCTS								
Disposable diapers	48	49	12	13	57	60	58	58
Sanitary napkins	57	57	23	23	39	43	74	75
Tampons	20	20	9	10	12	14	21	21

**End of April Basis for space allocation*

Source: Nielsen HBA Services Survey

Of 25 selected categories surveyed in 1987, drug chains allocated additional shelf space to 11 categories, with vitamins, shaving cream and dentifrice the largest gainers.

Less space was allocated to denture adhesives and cleansers, hair preparations, acne remedies, stomach remedies, and cough syrups.

Independents gave additional space to seven of the 25 categories listed, but no category was given more than two extra feet.

Independents decreased the shelf space allocated to 15 categories. Vitamins and hair coloring lost the most space.

Food chains increased the shelf space for 18 categories, while mass merchandisers increased space for 10 categories.

Have a FREE Demonstration Of Perfume and Receive a Scented Feather at your Gift

Chart 17 HBA Average Dollar Sales Per Month Per Linear Foot Of Space Allocation By Store Type

	Drug Chains		Drug Large Independents		Food Chains Over $2 million		Mass Merchandisers	
	1986	1987	1986	1987	1986	1987	1986	1987
SELECTED TOILETRIES & PERSONAL CARE								
Hair preparations	$ 3.13	$ 3.19	$ 1.94	$ 2.19	$ 5.35	$ 5.54	$ 4.50	$ 4.98
Dentifrice	20.58	18.77	9.82	11.38	55.64	44.96	40.24	45.26
Denture adhesives/cleansers	17.45	19.78	8.58	8.54	32.89	34.92	NA	NA
Deodorants	25.63	25.37	11.04	12.20	48.43	46.23	35.65	37.58
Face creams & lotions	44.15	39.39	22.21	22.53	45.95	36.05	51.68	54.88
Hair coloring	16.44	17.47	7.54	9.68	19.06	22.34	22.70	24.88
Hair sprays	17.52	17.16	9.61	12.36	38.81	35.74	28.49	35.20
Hand & body lotions	26.43	27.22	16.33	15.96	36.21	38.30	29.37	32.66
Home wave kits	20.90	19.37	7.68	8.46	20.77	18.36	26.75	26.90
Mouthwash	19.53	20.75	13.70	15.70	40.71	48.60	25.71	28.37
Shaving Cream	15.22	12.59	7.26	8.45	26.82	26.52	20.62	21.99
Shampoos	22.23	21.98	12.02	14.62	48.37	49.65	37.89	41.90
SELECTED REMEDIAL PRODUCTS								
Acne Remedies	17.76	19.17	9.48	9.18	31.06	31.98	14.69	18.40
Stomach remedies/antacids	26.99	28.52	17.58	18.51	47.15	50.91	30.00	32.68
Internal analgesics	42.41	44.14	29.52	28.93	87.78	93.67	56.70	62.49
Laxatives	28.65	29.48	18.44	20.20	39.42	45.92	30.68	38.15
Nasal sprays & drops	29.91	31.84	15.85	20.11	41.82	48.92	36.49	36.25
Vitamins	22.33	19.95	14.85	15.50	26.32	26.39	16.09	18.33
SELECTED PAPER PRODUCTS								
Disposable diapers	29.48	27.12	17.14	15.54	109.16	113.67	76.31	92.99
Sanitary protection	21.24	21.75	12.47	12.55	49.36	50.95	26.17	32.89

Year ending April 30 for sales
NA = Not available

Source: Nielsen HBA Services (Revised 1987)

Internal analgesics, which suffered from tampering incidents in early 1986, this year became the highest selling, in dollar sales, of 20 selected categories in both drug chains and independents.

Analgesic sales averaged $42.41 per linear foot per month in chain stores and $28.93 per foot per month in independents.

The face cream and lotion category, last year's top selling category in chain stores, has been the chains' second highest seller this year, with monthly sales of $39.39 per linear foot. The category's monthly sales in independent drug stores averaged $22.53 per foot.

Disposable diapers are still the top selling category of the 20 examined in large chain grocery stores and mass merchandisers. Disposable diapers had sales of $113.67 per foot per month in supermarkets and $92.99 in mass merchandise outlets.

Thanks for shopping
Everyday COSMETIC Discounts

CHAPTER VI:

DRUG STORE MERCHANDISING

Chart 18 Drug Store Merchandising/Operation Strategies—Drug Chains (All commodity volume basis)*

	Total U.S.	New England	Metro New York	Middle Atlantic	East Central	Metro Chicago	West Central	Southeast	Southwest	Metro Los Angeles	Pacific
Open 24 hours	5%	0%	0%	12%	15%	19%	5%	3%	0%	0%	0%
Pharmacy computer system	71	43	72	62	86	86	82	82	86	52	56
Cosmetician	34	28	36	36	18	73	52	39	33	24	29
Pre-recorded video tapes	14	15	6	27	13	21	7	15	26	0	7
Film developing	98	99	97	97	98	93	98	99	99	87	99
Lottery tickets sold	27	19	20	33	29	12	27	0	0	80	48
Alcoholic beverages sold	56	12	0	31	73	85	37	54	51	76	81
Liquor	30	12	0	7	37	85	29	3	24	76	52
Beer	55	2	0	31	71	85	37	54	51	76	79
Wine	46	2	0	11	72	85	29	29	43	76	73

**By Nielsen Territories, end of February 1987.*

Source: Nielsen HBA Services Survey

Film processing is the most popular "extra" offered by chain drug stores; virtually every drug chain in the country offers film developing.

The pharmacy computer is becoming a fixture in many areas; only in New England are computerized pharmacies in less than 50% of stores.

Nationwide, 71% of drug chains have computers, and they are most prevalent in the East Central, Metro Chicago and Southwest regions.

Only 5 percent of drug chains nationwide offer 24-hour shopping convenience. The Middle Atlantic and Central regions are the current leaders in this area.

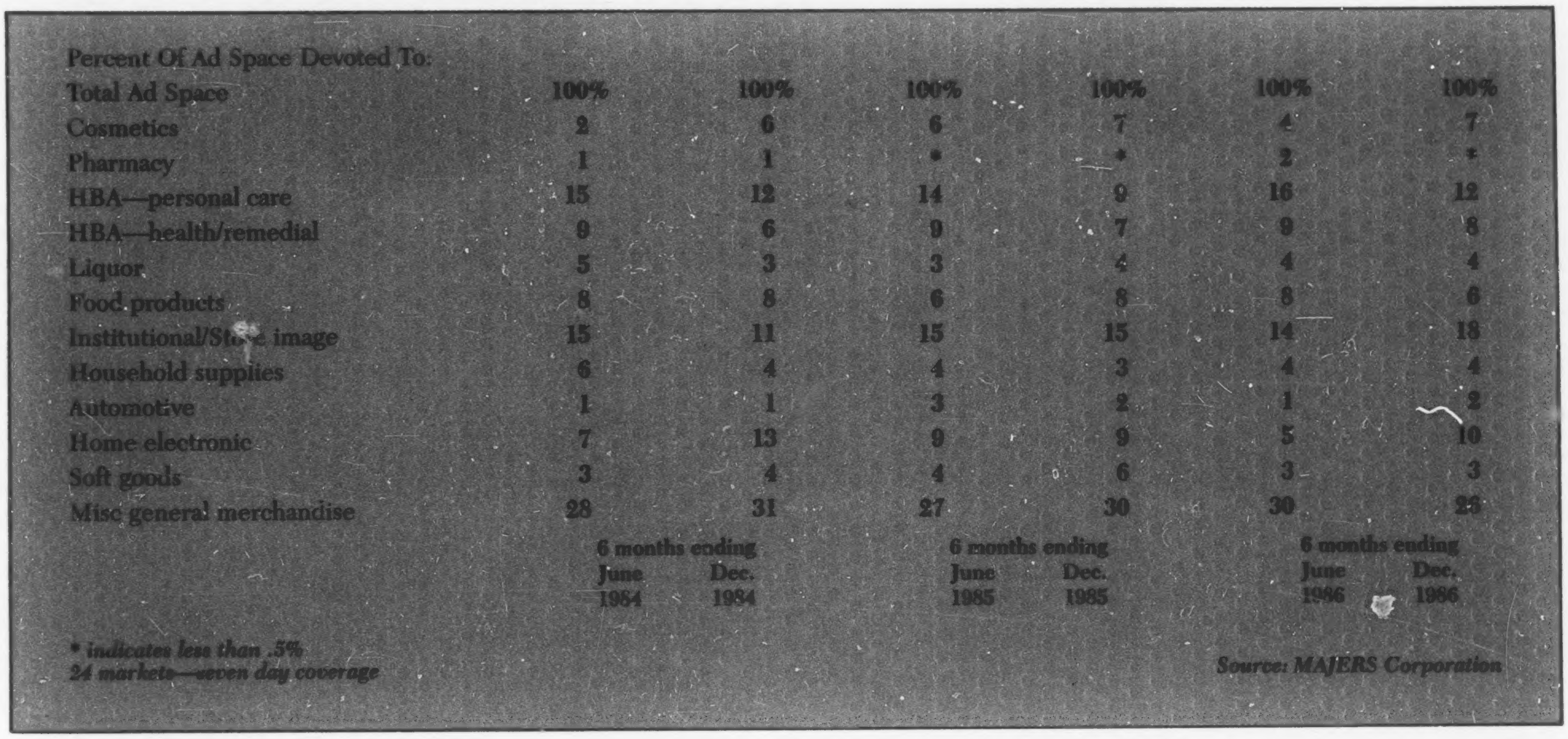
State law and local custom dictate whether a drug chain sells alcoholic beverages. Fifty-six percent of drug chains in the U.S. sell alcoholic beverages, and "wet" chains are particularly strong in the Metro Chicago, Metro Los Angeles, Pacific and East Central regions.

Other merchandising strategies that are catching on in some areas are cosmeticians (73% of Chicago-area drug chains have them); lottery tickets (sold in 80% of Los Angeles-area chains); and pre-recorded video tapes (currently more popular in the Middle Atlantic and Southwest regions than elsewhere).

CHAPTER VII:

RETAILER ADVERTISING

Chart 19 Retailer Advertising Space Trend—All Drug Stores



Percent Of Ad Space Devoted To:	6 months ending June 1984	6 months ending Dec. 1984	6 months ending June 1985	6 months ending Dec. 1985	6 months ending June 1986	6 months ending Dec. 1986
Total Ad Space	100%	100%	100%	100%	100%	100%
Cosmetics	2	6	6	7	4	7
Pharmacy	1	1	*	*	2	*
HBA—personal care	15	12	14	9	16	12
HBA—health/remedial	9	6	9	7	9	8
Liquor	5	3	3	4	4	4
Food products	8	8	6	8	8	6
Institutional/Store image	15	11	15	15	14	18
Household supplies	6	4	4	3	4	4
Automotive	1	1	3	2	1	2
Home electronic	7	13	9	9	5	10
Soft goods	3	4	4	6	3	3
Misc general merchandise	28	31	27	30	30	23

** indicates less than .5%*
24 markets—seven day coverage

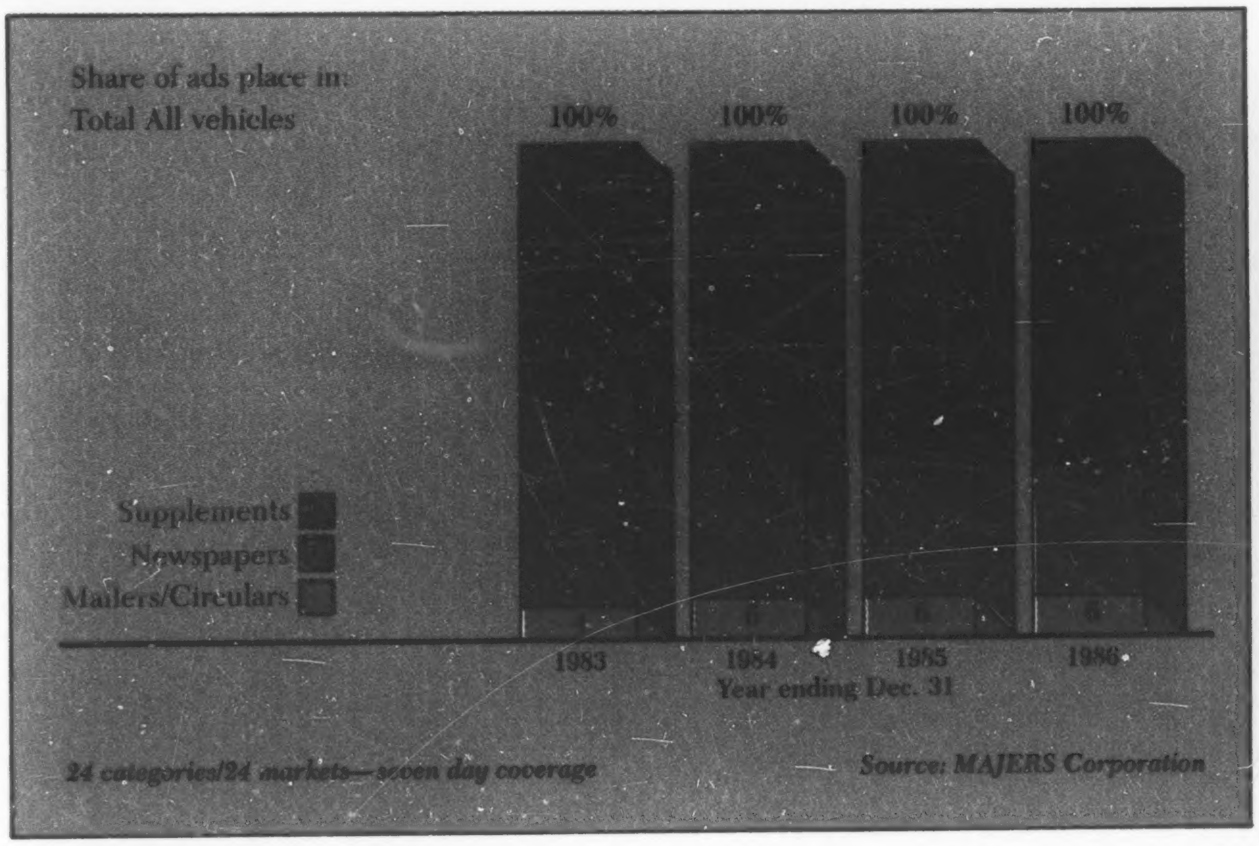
Source: MAJERS Corporation

Drug stores devote more advertising space to institutional ads than to any particular product category. The exception is in the first half of the year when personal care products are heavily advertised.

Home electronics, as expected, are allocated a larger share of ad space during the second half of the year because of their suitability as holiday gifts and high margins.

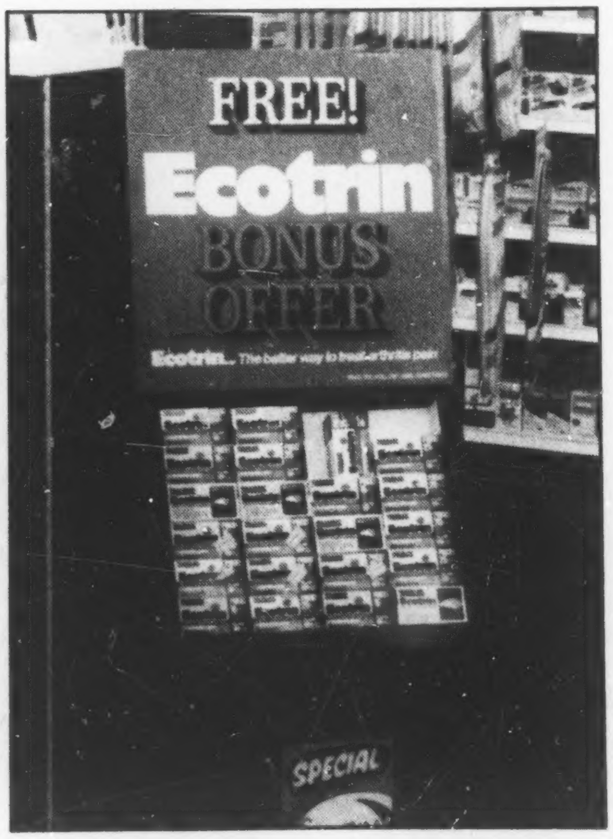
From January to June, 5% of drug store advertising space is for home electronics; after June, their share climbs to 10%.

Chart 20 Share of Advertising Space By Medium—All Drug Stores



24 categories/24 markets—seven day coverage

Source: MAJERS Corporation



Supplements have traditionally been the most popular vehicle for drug store advertising, and last year they accounted for 65%, up from 62% in 1985.

This increase in supplement advertising has come at the expense of newspapers, which carried 29% of drug stores' advertising last year, down from 32% in 1985.

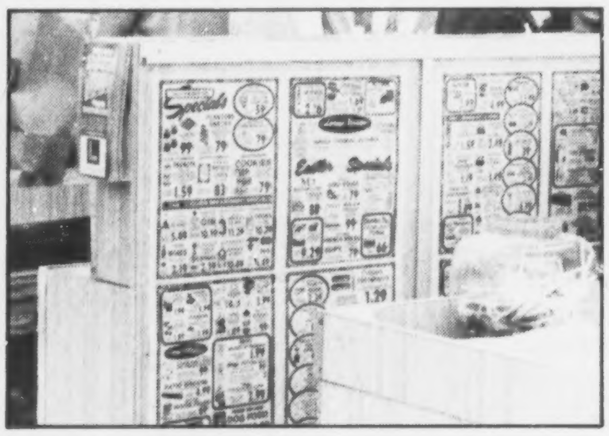
Mailers and circulars have maintained a 6% share of the drug store advertising space pie since 1984.

Chart 21 Average Number Of Ad Pages Per Company/Per Week–All Drug Stores

	Year ending Dec. 31 1984	 1985	 1986
% change vs. year ago	10%	19%	12%
Average number of pages	4.0	4.7	5.3
High week number of pages	8.9	9.9	9.7
Long week number of pages	2.1	3.0	3.7

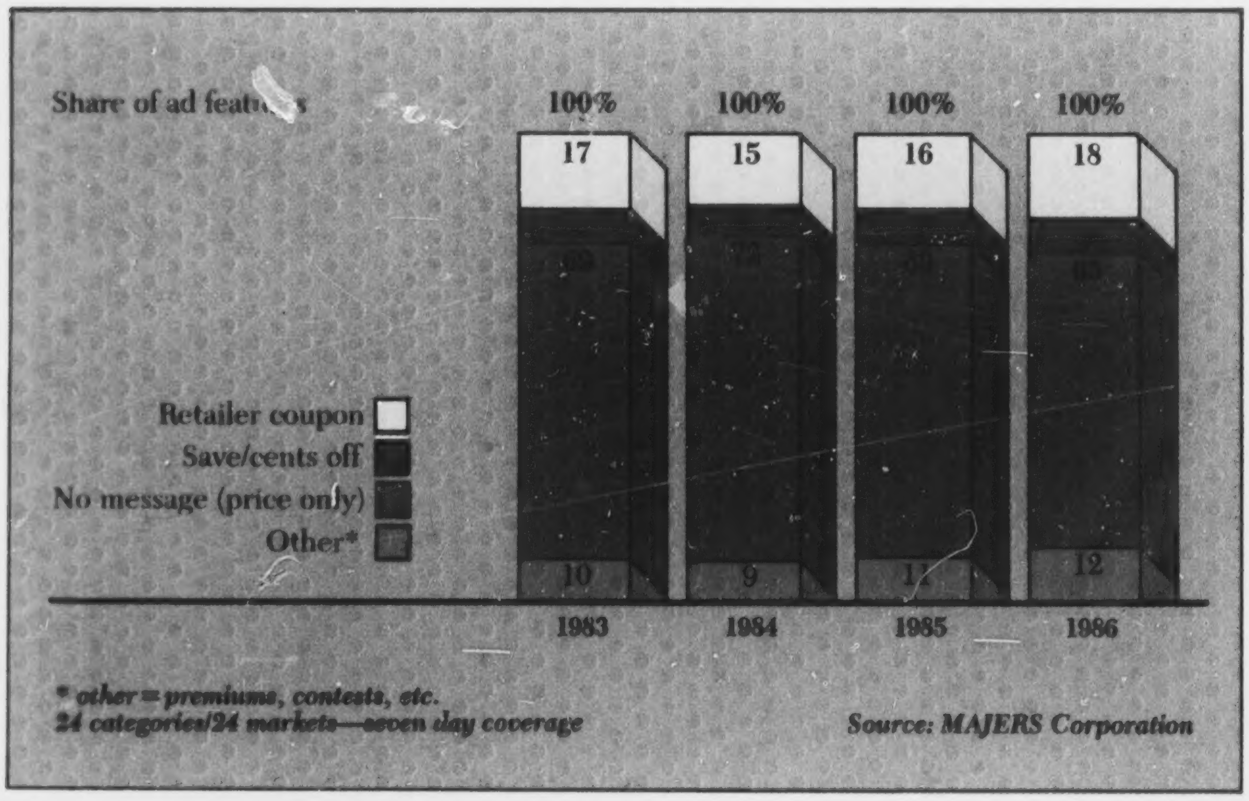
24 markets—seven day coverage

Source: MAJERS Corporation



Drug stores ran an average of 5.3 pages of advertising per week last year. This represents a 12% increase over the 1985 average of 4.7 pages per week; with a high of 9.7 pages during the end of the year holiday season and a low of 3.7 pages during 1986.

Chart 22 Trend In Feature Promotion Messages—All Drug Stores



** other = premiums, contests, etc.*
24 categories/24 markets—seven day coverage

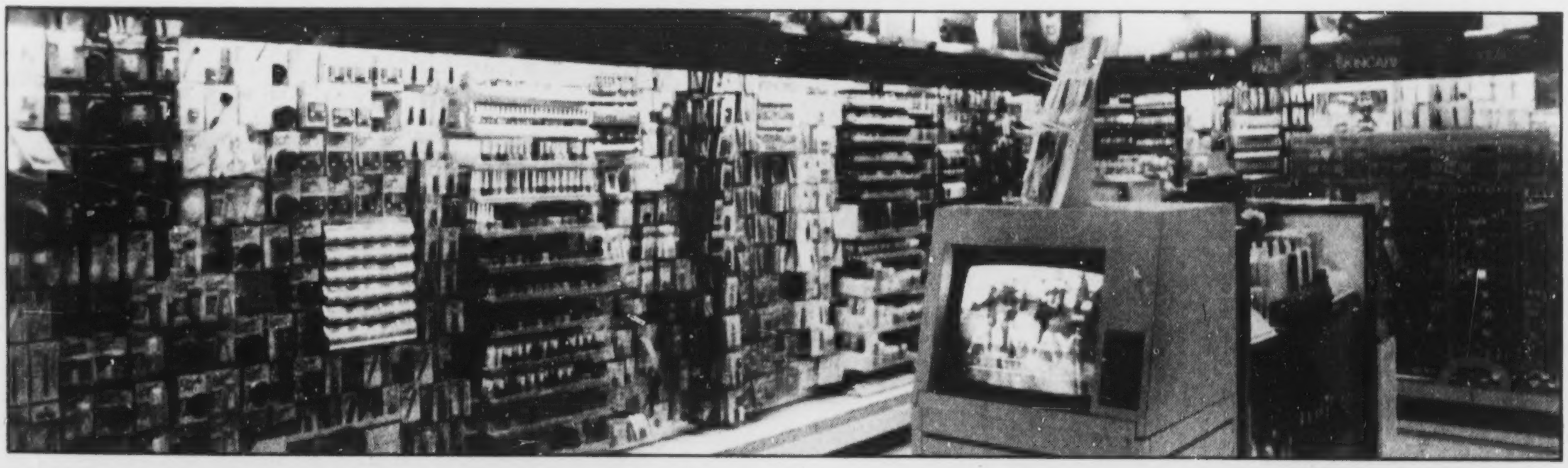
Source: MAJERS Corporation

Price is still the dominant theme in drug store advertising, although there was slightly less "price-only" advertising last year than in previous years.

Price-only ads accounted for 65% of drug store advertising in 1986, down from 69% in 1985.

Retailer coupons, savings/cents off messages, and other premiums such as contests all gained popularity as advertising messages for drug stores last year.

Eighteen percent of the ad features run last year involved retailer coupons.



RETAILER ADVERTISING

Chart 23 Trend In Ad Feature Support For Selected Categories—All Drug Stores (% change vs. year ago)

	Year ending Dec. 31		
	1984	1985	1986
Total 28 selected categories	17%	8%	8%
Selected categories			
Razor blades	– 1	2	8
Tampons	4	–16	45
Sanitary napkins	30	12	– 5
Hand & body lotions	–33	– 0	– 2
Talc & dusting powders	25	–13	17
Cotton swabs	9	– 2	2
After shampoo products	18	11	1
Hair spray	10	7	14
Dentifrice	16	7	– 2
Mouthwash	15	– 6	9
Internal Analgesics	24	– 8	– 0
Deodorant	16	8	6
Shampoo	20	– 3	– 1
Disposable razors	38	24	17
Cough remedies	41	8	– 0
Cold remedies	27	16	7
Bar soap	10	1	1
Disposable diapers	8	20	28
Bathroom tissue	16	14	18

**28 categories/24 markets—seven day coverage*

Source: MAJERS Corporation

ANACIN
ANACIN
"GO FOR THE 800"
ANACIN
DRISTAN
Everyday LOW PRICE

Tampon advertising by drug stores took a dramatic upturn last year—increasing 45% after a 16% decline in 1985.

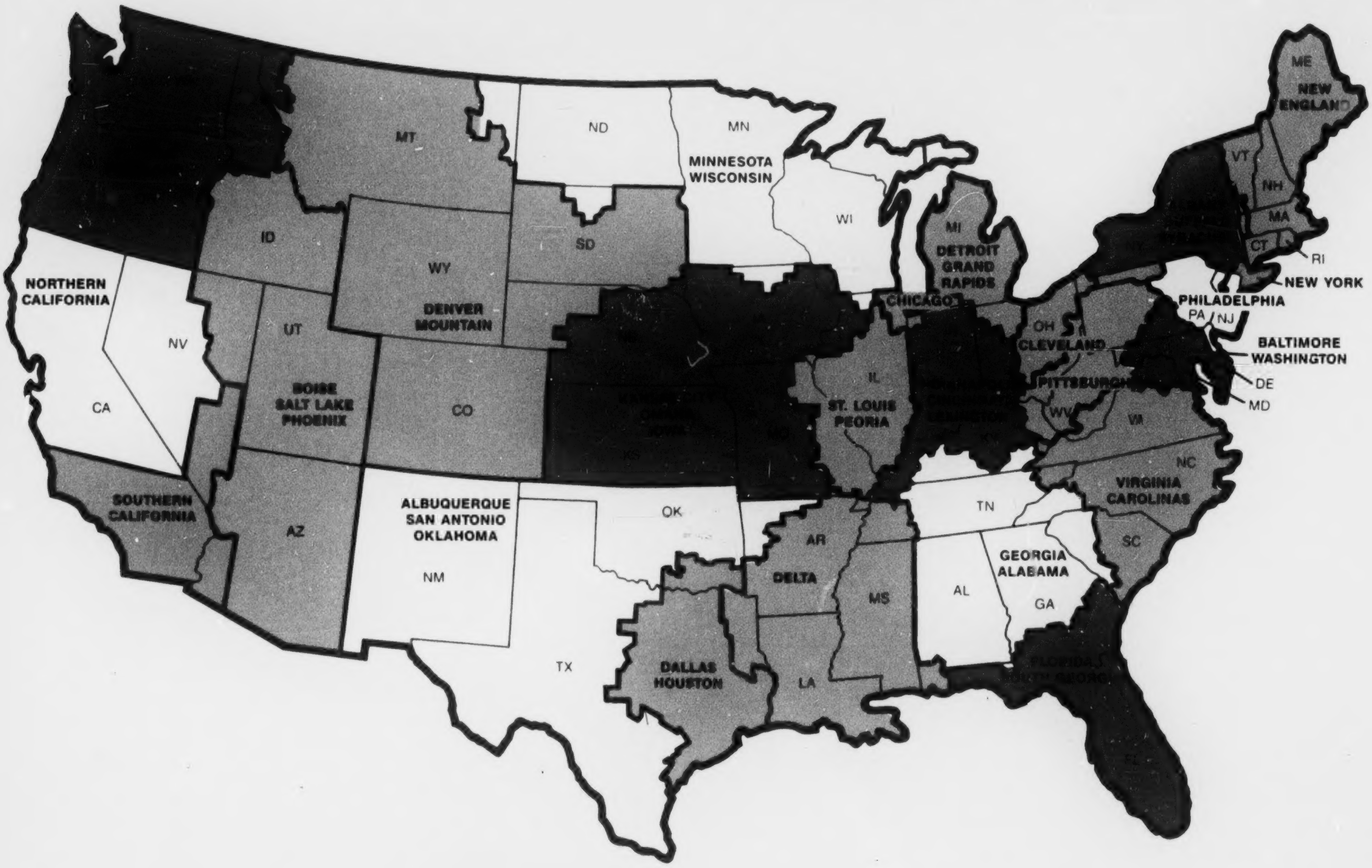
Drug stores also increased their advertising support for disposable diapers (+28%), bathroom tissue (+18%), disposable razors (+17%), talc and dusting powder (+17%), and hair spray (+14%).

Receiving less advertising support from drug retailers last year were sanitary napkins (−5%), hand and body lotions (−2%), and dentifrice (−2%).

Maalox
Maalox No. 2
THREADERS
$1.69

NIELSEN
HEALTH AND
BEAUTY AID
SERVICES

NIELSEN RETAIL MARKETING AREAS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MN
MINNESOTA
WISCONSIN
ME
NEW
ENGLAND
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MA
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RI
NEW YORK
NORTHERN
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SD
WI
MI
DETROIT
GRAND
RAPIDS
CHICAGO
PHILADELPHIA
PA
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NV
UT
DENVER
MOUNTAIN
IL
OH
CLEVELAND
BALTIMORE
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